

Directors' Report

To the Members of

KOTAK MAHINDRA BANK LIMITED

The Directors present their Thirty-fourth Annual Report together with the audited accounts of your Bank for the year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS

(A) Kotak Mahindra Bank Limited – Consolidated financial highlights *:

	31 st March, 2019	31 st March, 2018
	₹ in crore	₹ in crore
Total income	45,979.11	38,813.31
Total expenditure, excluding provisions and contingencies	34,358.03	28,630.34
Operating Profit	11,621.08	10,182.97
Provisions and contingencies, excluding provision for tax	1,045.36	1,024.74
Profit before tax	10,575.72	9,158.23
Provision for taxes	3,456.02	3,011.09
Profit after tax	7,119.70	6,147.14
Less: Share of minority interest	-	56.68
Add: Share in profit of Associates	84.43	110.51
Consolidated profit for the Group	7,204.13	6,200.97
Earnings per Equity Share:		
Basic (₹)	37.78	32.70
Diluted (₹)	37.74	32.66

(B) Kotak Mahindra Bank Limited – Standalone financial highlights:

	31 st March, 2019	31 st March, 2018
	₹ in crore	₹ in crore
Total Income	28,547.24	23,800.70
Total expenditure, excluding provisions and contingencies	20,199.06	16,642.53
Operating Profit	8,348.18	7,158.17
Provisions and contingencies, excluding tax provisions	962.39	939.95
Profit before tax	7,385.79	6,218.22
Provision for taxes	2,520.46	2,133.92
Profit after tax	4,865.33	4,084.30
Add: Surplus brought forward from the previous year	13,604.60	10,756.29
Amount available for appropriation	18,469.93	14,840.59
Appropriations:		
Statutory Reserve under Section 17 of the Banking Regulation Act, 1949	1,216.34	1,021.08
Transfer to Investment Reserve Account	31.06	-
Transfer to Capital Reserve	6.99	24.00
Transfer to Special Reserve	40.00	55.00
Transfer to Investment Fluctuation Reserve Account	70.89	114.21
Transfer to Fraud Provision	1.40	-
Dividend Paid **	160.28	-
Corporate Dividend Tax	23.68	21.70
Surplus carried to Balance Sheet	16,919.29	13,604.60

* In accordance with the Companies (Indian Accounting Standards (IND AS)) Rules, 2015 the financial statements of the subsidiaries are being prepared in line with notified IND AS with effect from 1st April, 2018. The financial statements of the subsidiaries used for consolidation of the consolidated financial results are special purpose financial statements prepared in accordance with Generally Accepted Accounting Principles in India ("GAAP") specified under Section 133 of the Companies Act, 2013 read with relevant notifications.

** The Bank has paid a dividend at rate of ₹ 0.70 per equity share for the year ended 31st March, 2018 (previous year: 0.60 per equity share for the year ended 31st March, 2017) and has paid interim dividend at rate of 8.10% (on pro-rata basis) on preference shares for year ended 31st March, 2019 (previous year: NIL), to all shareholders, whose names appear on the Register of members / beneficial holders list on the book closure date. As per the requirements of revised AS 4 – 'Contingencies and Events Occurring After the Balance Sheet Date', this payout (including dividend distribution tax) has been appropriated from amount available for appropriation in the year of pay-out.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 0.80 per equity share (previous year ₹ 0.70 per equity share) for the year ended 31st March, 2019. This would entail a payout of ₹ 184.10 crore including dividend distribution tax based on the number of shares as at 30th April, 2019. The dividend would be paid to all the shareholders, whose names appear on the Register of members / beneficial holders list on the book closure date.

In March 2019, your Directors declared an interim dividend on Perpetual Non-Cumulative Preference Shares of face value of ₹5 each issued by the Bank, carrying a dividend rate of 8.10%, on pro-rata basis, in respect of the financial year 2018-19, as per the terms of issuance. This entailed a payout of ₹32.37 crore (including dividend distribution tax).

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Bank have adopted a Dividend Distribution Policy which is in line with the parameters prescribed by SEBI for distribution of dividend. The Policy is available on the Bank's website viz. URL: <https://www.kotak.com/en/investor-relations/governance/policies.html>

CAPITAL

During the year, authorized share capital of the Bank was altered and increased from ₹1500 crore consisting of 300 crore equity shares of ₹5 each to ₹1900 crore divided into 280 crore equity shares of ₹5 each and 100 crore preference shares of ₹5 each.

In August 2018, your Bank has issued and allotted 100 crore 8.10% Perpetual Non-Cumulative Preference Shares (PNCPS) of ₹5 each amounting to ₹500 crore.

During the year, your Bank allotted 31,06,321 equity shares arising out of the exercise of Employees Stock Options granted to the whole time director and employees of your Bank and its subsidiaries.

Post allotment of equity shares as aforesaid, the issued, subscribed and paid-up share capital of the Bank as at 31st March, 2019 stood at ₹14,54,37,74,135 comprising of 1,90,87,54,827 equity shares of ₹5 each and 100,00,00,000 preference shares of ₹5 each.

Your Bank has a Capital Adequacy Ratio ('CAR') under Basel III as at 31st March, 2019 of 17.45% with Tier I being 16.93%.

During the year, your Bank has not issued any capital under Tier II. As on 31st March, 2019, outstanding Unsecured, Redeemable Non-Convertible, Subordinated Debt Bonds were ₹456 crore. The outstanding Unsecured, Non-Convertible, Redeemable Debt Capital Instruments Upper Tier II have matured during the year.

Further, in March 2019, your Bank has issued and allotted 1500 Senior Unsecured Rated Listed Redeemable Long Term Bonds in the nature of Non-Convertible Debentures bearing a face value of ₹10 lakh each aggregating to ₹150 crore.

OPERATIONS

Consumer Banking

Your Bank services a customer base in excess of 16 million customers covering a wide spectrum across domestic individual and households, non-residents, small and medium business segments for a range of products from basic savings & current accounts to term deposits, credit cards, unsecured and secured loans, working capital and investment advisory.

Your Bank continued its strategy of calibrated expansion of its branch network. As of 31st March, 2019, your Bank had 1500 branches and 2352 ATMs, covering 744 locations. Of the 112 new branches commissioned this year, 44 were in metro, 24 were in urban, 15 semi urban & 29 rural branches. Aided partly by 811, your Bank saw fast paced customer acquisition across all core banking products including savings and current accounts, term deposits, overdrafts and non-resident accounts. Bank has also set up 27 e-lobbies to enable convenience banking for customers. Your Bank also relocated 36 branches across metro and semi urban locations to give easier access and higher convenience to its customers.

Your Bank rolled out several initiatives aimed at offering a superior and differentiated customer experience. Strengthened its customer relationship management capability by setting up a new channel for phone based remote engagement, called VRM (Virtual Relationship Management) channel. This led to a wider coverage and enabled your Bank to reach out to more than 6 lakh customers and service them across deposit, lending and investment needs. In the Retail Institutional Business, for segments like housing societies, educational institutions, etc. introduced a range of services like apartment management solution, smart card solution, closed loop payment solutions, etc. This has helped your Bank strengthen its relationship in this segment. Your Bank extended the Silk program for woman customers to cover salaried base and offers distinctive features like cash back on point of sale (POS) based transactions, linked accounts for minors and discount on lockers. Proposition around Image debit cards was further strengthened with introduction of images of Bank's brand ambassador Ranveer Singh and exclusive art works of renowned artist, Seema Kohli for the Silk program. A new current account proposition was launched specifically for constituents of agriculture produce market committee (APMC) markets and will be available across the 2400 markets in the country. For the Arthias segment in Punjab, a customized solution via Arthia Rupay card was launched which would help your Bank to build a significant market share in the state of Punjab.

Your Bank entered into a banking alliance with government procurement agency, Haryana State Co-operative Supply and Marketing Federation Limited (HAFED) in Haryana and National Agency for Export Development (NAFED) at national level for mustard seed procurement. This would

give a significant boost to the current account book linked to this line of business. The merchant acquiring line of business which was started in 2017-18, gained significant momentum in 2018-19, with the transaction turn put crossing 2 crore figure. Value added features like EMI facility on point of sale transactions were also offered. For customers desirous of investing in mutual funds, a facility was made available in the form of online investment account. This feature was also made available on netbanking and mobile banking. For the internationally aligned customers, ability to subscribe to forex card online, via net or mobile was made available. In line with the regulatory requirement, all the ATMs of your Bank, have been upgraded to become Europay, Mastercard, Visa (EMV) compliant. As per the Government mandate, your Bank has successfully set up Aadhaar enrolment centers in 145 branches and also surpassed the transaction volume mandate given by Unique Identification Authority of India (UIDAI). Your Bank also participated in the Pradhan Mantri Gram Swaraj Abhiyan and achieved 100% of the targets under this program. India's first bilingual voice bot in Banking – Keya that responds to customer's queries in English and Hindi was launched by your Bank. Keya handled 17 lakh calls without human assistance.

Your Bank continued to ramp up 811 acquisition numbers this year as well. In order to drive higher engagement with 811 customers, your Bank, this year, focused on cross selling various bank products to the existing 811 customers.

In line with its commitment to enhance customer experience, your Bank joined Ripple's leading enterprise blockchain network (RippleNet) to provide impetus to its cross-border inward remittances. Ripple's settlement solution, xCurrent, is now used to provide the customers with real-time cross-border transactions in a safe and secure manner. FCNR deposits in Singapore Dollar (SGD) was re-introduced to provide NRI customers in Singapore the facility of placing deposit in India under the FCNR (B) scheme. Your Bank participated in a host of events, ranging from business forums, sports leagues & industry awards, etc. to engage with the Mariner community in India.

The Corporate salary business scaled up significantly in 2018-19 and it now services over 3.5 million customers across more than 25000 corporates. Acquisition and servicing capability has been further streamlined to enable inroads in Tier 2 & 3 markets as well and will be the focus in 2019-20.

The year 2018-19 continued to be strong for your Bank's credit card business. Spend volumes on credit card have grown by 56% driven heavily by e-commerce transactions and higher spends per transaction. Digital/Paperless acquisition of Credit Card customers through Sales App and other digital channels like Mobile and Net Banking saw a growth of 290% versus last year, showcasing a superior on-boarding journey to the customers. The business also introduced a unique solution under its Commercial Cards product line which enables a "Do-it-yourself" payment interface for corporates to streamline their indirect expenses like statutory and other ad-hoc payments.

On the Salaried Personal loans segment, loans on mail and SMS was launched to enhance the bouquet of instant loan offering. These along with other digital channels have enabled Salaried Personal Loans book to grow by 45% year on year.

With a view to enhance customer experience, your Bank introduced multiple self-serve features on Home Loan and Loan against Property on Mobile Banking. This helped the customers view their loan details on the Mobile App itself including details like tax certificate, disbursement and repayment details through a click of a button. The service, which went live in January 2019 has already seen over 1 lakh+ hits on the Mobile Banking App Loan section.

Commercial Banking

Your Bank's Commercial Banking business focuses on meeting the banking and financial needs of various customer segments with deeper coverage that goes beyond metro and urban centers through an expanding network of branches and associates. The business has specialized units which offer financial solutions in the areas of Commercial Vehicles, Construction Equipment, Tractor and Agriculture business. It services the priority sector through providing finance for Tractor, Crop loans, Small Enterprises and Allied agricultural activities thereby helping your Bank meet its financial inclusion goal. In line with growing rural incomes, our Bank's Commercial Bank branches have experienced robust growth across product lines on savings as well as lending side.

Your Bank's Construction Equipment (CE) and Tractor Finance businesses reported significant growth and gained market share in their respective businesses, while Commercial Vehicle (CV) business witnessed a slight drop in market share due to margin pressures & change in load carrying norms. Tractor Finance businesses witnessed double digit volume growth and continued to gain market share. The Government spending in the infrastructure sector has led to a strong demand in the CE and CV industry.

Your Bank's Agriculture Financing business continued its focus on the agriculture value chain funding for various agro processing activities. It has registered good growth despite volatility and uncertainty in the commodities market. Microfinance Institutions (MFI) segment growth remains robust and asset quality remains good.

Branches in semi-urban and rural area comes under the umbrella of Commercial Bank. This network plays a crucial role in meeting the financial inclusion goals and credit demand of 'Bharat'. Branch network has expanded and the Liability book has grown at a healthy pace.

Wholesale Banking

Your Bank's Wholesale Banking business caters to a wide range of corporate customer segments including major Indian corporates, conglomerates, financial institutions, public sector undertakings, multinational companies, mid-market companies, small and medium enterprises and realty businesses. This segment offers a comprehensive portfolio of products and services to these customers including working capital finance, medium term finance, trade finance, foreign exchange services, other transaction banking services, custody services, debt capital markets and treasury services.

The year has witnessed significant disruptions in the corporate banking space driven by high NPAs in the industry and stress in certain industry segments. With more capital from banks, mutual funds and NBFCs chasing the high rated end of the corporate space, this space is witnessing high competition which in turn is pushing down yields for banks. The overall credit offtake in the economy has also been muted over the last few years. Despite these challenges, the Wholesale Banking business has been able to achieve growth in the large corporate space in a healthy and profitable manner. Over the years, the Wholesale Banking business has grown its market share through higher customer acquisition, improved customer service and product innovations.

At the same time, your Bank has remained cautious in its exposure, especially in certain segments, which witnessed increased stress and uncertainty during the year. This year, the Small and Medium Enterprise (SME) business was brought into the Wholesale Banking fold. The last couple of years has witnessed disruptions in the SME space from demonetization and rollout of GST which manifested as stress in the Bank's books as well. This year, a number of initiatives were taken to stabilize the business while integrating it with the rest of the Wholesale Bank. The SME business is well poised to capture the growth opportunities in the market. However, this year, owing to the phase of consolidation, growth in this segment was muted. Your Bank has been cautious on the real estate developer segment given the stress in the sector. Your Bank compensated for this slowdown by ramping up exposure to lower risk businesses such as Lease Rental Discounting; however the spreads were impacted by this mix change. Your Bank has also been cautious on its lending to Non-Banking Financial Institutions and therefore changed mix towards higher rated NBFCs given the challenges that the NBFC sector went through during the year.

Your Bank has remained as focused on adding new customers in a profitable manner as increasing wallet share with existing customers. The last few years have seen a healthy addition of New-to-Bank customers in the large corporate segment, which in turn sets a strong foundation for future growth in the business. Going forward, your Bank will focus on increasing the momentum in New-to-Bank customer acquisition in the SME space too.

Your Bank has an integrated Corporate and Investment Banking (CIB) approach towards certain top conglomerates and large corporates. The CIB model has ramped up well and has helped it to deepen its presence with these clients and gain further market share.

Robust risk management practices are in place and your Bank has achieved growth over the years without compromising the health of the book. At a time when most corporate banks in the industry are facing huge NPAs, your Bank has kept a tight control on asset slippages. Other than SME, the rest of the corporate segment has witnessed minimal additions to the Gross NPA this year. In SME, a number of initiatives have been taken to stabilize the business. Across corporate segments, your Bank has been proactive in rebalancing the portfolios to reflect economic situations and reduction in exposure to situations with heightened risk. Your Bank's focus on risk management has helped the business reduce its Risk Weighted Assets (RWA) as a percentage of assets over the past few years. The use of Risk Adjusted Return on Capital (RaRoC) pricing models has become ingrained in the way the Wholesale Banking division conducts its business and has helped to optimize pricing, better utilize capital and improve return on equity. Economic Value Add (EVA) measurement tools have been implemented that help your Bank monitor the true risk adjusted value being derived from each client. These initiatives ensure greater focus on improving income mix in favour of non-capital intensive income streams.

The strong momentum in the Integrated Global Transaction Banking Services (GTS) continues across its large suite of products. Current Account & Savings Account balances saw significant growth through innovative solutions and focused marketing efforts. Through focused efforts, your Bank has been successful in capturing a higher market share in Cash Management Services (CMS) from identified flagship accounts. Your Bank launched various receivable solutions across C2B and B2B clients which witnessed a growth of more than 300% in flows through client accounts. Products like Smart Collect, Application Program Interface (API) based e-collection offerings, customized value added solutions using National Automated Clearing House (NACH) as clearing system have helped your Bank to acquire as well as increase its wallet share among various key clients. With focus on product development and building new age platforms, your Bank became primary banker to major unicorn companies. Your Bank has also invested in product development for the acquiring business and are now bankers to top aggregators in the e-commerce space. Your Bank was also the largest banking player for Bharat Bill Payment System (BBPS) as a biller onboarding participant during the year. Your Bank believes that, in this dynamic environment, bringing the best of solutions to clients will require engagement with solution providers in the country and your Bank has partnered with fintechs to provide value added solutions. These initiatives have helped increase Current Account balances substantially. On the trade side, the funded and non-funded book continued a strong double digit growth momentum. Strong focus on fee income through trade flows led to a robust growth in fees earned through trade finance and services, with the wholesale business almost doubling this fee income. The strong growth in GTS products has helped your Bank to partly compensate for the fall in spreads in its traditional lending business.

The Custody business continued to witness strong growth despite market uncertainty seen during the second half of this year. Your Bank is today one of India's largest domestic Custodians with Assets Under Custody (AUC) upwards of US\$ 30 Bn and is strongly positioned in the India focused offshore funds space. The Custody business added a number of marquee Alternative Investment Funds (AIF) & Portfolio Management Services (PMS) clients in the Domestic segment in addition to having a good market share amongst India based Foreign Portfolio Investments (FPIs). Your Bank also obtained a Professional Clearing Member (PCM) License to offer clearing services on the INDIA INX Exchange in GIFT City becoming the first bank custodian to do so.

Your Bank's dedicated Service Solutions vertical has helped ensure faster customer response and improve customer experience. This vertical is the single point of contact for all service related and documentation issues with personnel present across the country. Your Bank has been successful in significantly reducing Turn-Around-Time (TAT) across various processes including account opening and disbursements. Initiatives such as digitization and workflow automation have helped reduce TAT further.

Strengthening its organizational platform, your Bank continues to target productivity and efficiency improvements. There is greater focus on measuring and improving employee productivity including of its sales force through use of technology and digital tools. Given high focus in this area, costs have been kept well in control further improving profitability of the business.

Your Bank has undertaken a series of digital initiatives primarily focused on improving customer experience. These digital initiatives encompass the entire gamut of transaction banking and include initiatives such as creation of a complete C2B platform for our corporate clients which includes one view for products like BBPS, Unified Payment Interface (UPI) and E-Collections. Corporate mobility platform has been extended for all segments of your Bank and is witnessing good growth in adoption. A number of new product initiatives have been taken in e-commerce - acquiring, issuances, liquidity management, UPI, BBPS, API based solutions, over the counter products, Government based initiatives, aadhaar based initiatives and structured receivable and payable solutions. Bank is investing on NACH and escrow platforms to make onboarding and transaction experience seamless for clients. Furthermore, a few long term initiatives are in various stages of implementation which include an online trade portal, an integrated corporate portal, incorporation of the block chain based technology in foreign and domestic trade products and multiple digital initiatives being undertaken for various Government Bodies.

Wealth Management

Wealth Management, your Bank's private banking arm, acts as advisor to a number of distinguished Indian families and is of the oldest and the most respected Indian wealth management firms. Its customers range from entrepreneurs to business families and professionals.

The business has a strong advisory capability for private clients across equities, fixed income & alternates with complete alignment of interest which makes it the preferred advisor across HNI investors. In addition to comprehensive financial solutions, the business goes beyond investments and includes value added services such as assistance with investment structuring, banking and credit, consolidated reporting, referral for philanthropy services and concierge services. With an in-depth understanding of client requirements and expertise across various asset classes, the business offers the widest range of financial solutions through transaction-based investment approach and asset-advisory based approaches. It has built a formidable suite of products and services for high net worth individuals and offers the same through its Asset-Advisory model. As per the Reserve Bank of India guidelines, advisory activities that were being offered out of your Bank are now offered out of Kotak Investment Advisors Limited, a subsidiary of your Bank with effect from 20th April, 2019.

In addition, your Bank has also built a large Priority Banking business, assisting mass affluent customers with products and solutions developed to meet their financial requirements. The total relationship value across your Bank's Wealth & Priority offerings is ~ ₹2,70,000 crore.

The business has won several accolades & received recognition at various forums and recently, it has been recognized as the Best Private Bank, India two years in a row by Euromoney Private Banking & Wealth Management Survey 2018 & 2019 & Best Private Bank, India Domestic 2018 by Asian Private Banker among others.

International Business

The GIFT City Branch, an International Financial Services Center Banking Unit of your Bank, has helped your Bank to participate in syndication of overseas loans, lending to clients in international markets and providing External Commercial Borrowing to eligible Indian corporates. Client forex and derivative transactions were also undertaken to help offshore clients with management of interest rate and currency risks, in addition to routine investments in offshore bonds.

Asset Reconstruction

Insolvency and Bankruptcy Code (IBC) initiated to resolve bad and stressed loan is settling down and it may take few more years to see the major impact of this landmark legislation.

During FY 2018-19, resolutions of some large NPA's of the country are seen at an advanced stage through the IBC process.

Your Bank which has been an active player in the business for several years has made significant progress in acquiring several NPA's in all the categories like SME, Corporate and Retail Assets. The size of the book through acquisition from other banks largely by auctions, have sizeably increased in the last financial year. Your Bank believes that the market will continue to be robust for acquiring bad loans and it should be able to continue to acquire sizeable loans at a fair price in the coming year, as well.

Treasury

Your Bank's treasury actively contributes to your Bank by way of:

- **Proprietary Trading:** The various proprietary trading desks actively trade in products such as Fixed Income, Money Markets, Derivatives, Foreign Exchange and Equity. Primary Dealer Desk – part of the proprietary trading desk, actively participates in the primary auctions of government securities, makes market in government securities and engages in retailing of government securities.
- **Customer Transactions:**
 - o **Forex & Derivatives:** Facilitating customer access to foreign currency markets through cash & derivatives products for remittances, trade transactions and for managing foreign exchange and interest rate risks.
 - o **Bullion:** Under License from Reserve Bank of India (RBI), Bank imports gold and silver to meet needs of customers. The bullion desk provides efficient working capital solutions to domestic Jewellery manufacturers as per prescribed rules of RBI.

- Balance Sheet Management: The Balance Sheet Management Unit (BMU) ensures maintenance of regulatory reserves and adequate liquidity buffers and also manages the Interest rate risk & Liquidity risk within the Risk appetite of the Bank.

Human Resources

FY 2018-19 has been a year of strengthening initiatives in the area of digital adoption, employee engagement, employee wellness and development.

With the talent base of the Bank reaching to over 41,500 employees, more and more millennials being on boarded the average age of the employee base has gone younger by a year at 31 years now. Your Bank has taken various initiatives to engage using digital and technology platforms with employees. It has launched Mobile first app KLAPP for managing onboarding journey of from pre joining to post joining stage to transition from candidate to employee seamlessly. This has helped in engagement, quick assimilation and personalization of the onboarding journey for the new joiner.

Your Bank has also enhanced the focus on future readiness of mid to senior level employees through learning intervention of Digital Blurr, Design Thinking and Digi-Talk. With the renewed rigor on platform launched for on demand learning and byte size learning has enhanced the horizon for learning from behavioral and functional learning to developing skills for future career needs of the employees.

The focus on performance discussion has been enhanced with more through the year focus on "Talk2Do" between managers and their teams for constructive performance discussions.

With the objective to identify, build and nurture leaders across levels to deliver superior business results and address individual career aspirations your Bank continues to invest in spans, structures and assessment tools through various interventions of talent management, succession planning and career management.

Technology & Digitization

Technologies, this year, were leveraged to deliver customer experience, business efficiency, business collaborations and cybersecurity.

Mobile banking app continues to be the highest rated iOS app with 4.8 rating and Android app is at 4.5 rating. App was made more user friendly and saw improved customer experience with home page revamp and payment section revamp. App also became more comprehensive with new features like forex card section, premature withdrawal of fixed/recurring deposits, loan section, online investment account opening etc.

Newer channels, Keya Chatbot and WhatsApp Banking, were launched which use conversational banking approach and Natural Language Processing (NLP) to interact with customers. Keya Chatbot is enabled on all digital channels, viz. Mobile App, www.kotak.com website and Net Banking. Keya Chatbot is able to handle queries about products like Credit Card, Debit Card, Accounts, Fund Transfer, Bill Payment and Personal Loan. Your Bank is the first Indian bank to offer banking services on Whatsapp which allows customers to get services on WhatsApp without installing any app or visiting any webpages. Search and discovery use cases have been enabled on Google Assistant thru voice based interaction.

Kotak Net Banking features were further enhanced with revamped payment experience, online investment account opening, forex card section, buy insurance policies online, refreshed Home page for notifications and revamped Apply Now section.

To make website pages lighter and mobile friendly, which helps in improving SEO (Search Engine Optimization) ranking, 90+ Accelerated Mobile Pages (AMPs) made live on www.kotak.com. These AMP pages are 5 times faster than normal ones. Kotak website has been acknowledged as "Best in class brand for mobile experience" in Finance category - Google 'Masters of mobile' report.

Multiple digital payment methods were introduced for the Bank's customers including Visa Paywave, Samsung Pay, Bharat QR, UPI, BBPS (Bharat Bill Payment System) for Consumers & for Billers, AEPS (Aadhaar Enabled Payment System), AadhaarPay and FASTag – enabling more cashless payments for consumers, merchants, corporates, fintechs, billers etc. and reinforcing Kotak's commitment to the country's Digital India journey. M-store in the Mobile App has been re-branded to KayMall and encompasses multiple commerce categories like Travel (Train, Bus, Flights, Hotels), Shopping (Flipkart, Shopclues) and Subscriptions which the consumer can securely & seamlessly purchase from within the comfort of the Mobile App or Netbanking without having to use a third-party application. Some of the new products launched like Aadhaar Enabled Payment System (AEPS) and AadhaarPay have enabled last-mile payments for Business Correspondent Agents and have also allowed the Bank to service its customers for services like cash withdrawal and payments. For the second consecutive year, your Bank has been ranked amongst the Top 5 Banks in MeitY's 'Digital Payments Achievement Dashboard' (based on a point-scoring methodology) and has overachieved targets set by MeitY for FY 2018-19 on Digital Payments transaction @ ~110% of target achievement.

Your Bank started fulfilling the digitally originated leads for Home loans and scaled up the Super-Fast Home Loan initiative.

There were certain digital initiatives of the Bank which were suspended basis the Supreme Court ruling on Aadhaar viz. credit card product as part of 811 Savings account opening journey by using Aadhaar stack and credit bureau; Project Velocity which aimed at servicing through biometric means was a hit with customers and branches with a high Net Promoter Score (NPS) of 77+ till September due to the immediate fulfilment of their service requests which had to be stopped post the ruling. But later different ways of automation were devised to keep the same experience of near realtime fulfilment; 811 FullKYC biometric based onboarding was suspended through this platform(s) post the ruling last year. However, subsequently, the non Aadhaar (scanned physical image based KYC with OTP authentication) full KYC platform for onboarding was made live.

Robotics Process Automation where more than 2 lakh transactions have been completed across multiple processes and Cognitive Machines Reading are the next scaleup areas which are taking shape in India and are said to bring in a culture of basic routine tasks being automated.

Ecosystem collaborations have been enabled thru the Bank's Open banking platform. The Bank has onboarded lending and payment application program interface (API) products, which have gone live with 57 partners availing those API products.

This year, the Bank focussed on SMEs and launched some initiatives around it. Your Bank is the first bank to take co-lending LIVE with Capital Float and participate in Market Place model of psbloansin59minutes.com. Digital processes have been set up for disbursing Business Loan instantly, for existing customers.

This year, technologies were put in place to provide support for customer lending. Starting with a Lead Management System to accept loan enquires, and track them, to systems to support loan application evaluation and a "business rule engine" that uses analytics to assist in disbursement decisions. The systems will provide a base for processing of a wide spectrum of different types loans from simple personal loans to the more complex housing loans in the coming years.

The foundation for NLP laid down last year to launch 'Keya' the first Artificial Intelligence (AI) powered Voicebot in the banking sector was further leveraged. The use of IVR was replaced by conversational banking, so that the customer's experience on calling the Bank's contact center was simplified and enhanced. A "Virtual Relationship Manager" capability was also introduced, to enable customers to telephonically connect to their personalized service manager.

With increased focus on digital solutions and heightened cybersecurity concerns, there is a need for constant innovation in the information security area. New solutions were implemented to mitigate the risk of APT (Advanced Persistent Threat) attacks. The solution detects and prevents custom malicious code being sent over the network into the Bank's environment.

SUBSIDIARIES & ASSOCIATES

As at 31st March, 2019, your Bank has nineteen (19) subsidiaries as listed below:

Domestic Subsidiaries

Kotak Mahindra Prime Limited

Kotak Mahindra Investments Limited

Kotak Securities Limited

Kotak Mahindra Capital Company Limited

Kotak Mahindra Life Insurance Company Limited

Kotak Mahindra General Insurance Company Limited

Kotak Mahindra Asset Management Company Limited

Kotak Mahindra Trustee Company Limited

Kotak Mahindra Pension Fund Limited

Kotak Investment Advisors Limited

Kotak Mahindra Trusteeship Services Limited

Kotak Infrastructure Debt Fund Limited

IVY Product Intermediaries Limited

BSS Microfinance Limited

International Subsidiaries

Kotak Mahindra (UK) Limited

Kotak Mahindra (International) Limited

Kotak Mahindra Inc.

Kotak Mahindra Financial Services Limited

Kotak Mahindra Asset Management (Singapore) Pte. Limited

The key business segments where the subsidiaries operate include investment banking, stock broking, vehicle finance, advisory services, asset management, life insurance and general insurance.

Kotak Mahindra Life Insurance Company Limited (KLI) has recorded a growth of 23.8% on the gross premium, mainly coming from Individual renewal premium. KLI has solvency ratio of 3.02 against requirement of 1.50.

Capital Markets witnessed a significant slowdown in primary market activity compared to previous fiscal; accordingly, Kotak Securities Limited and Kotak Mahindra Capital Company Limited reported lower profits compared to the previous year.

The growth in the mutual funds industry continued albeit with a relatively modest pace in FY 2019. Kotak Mahindra Asset Management Company (KMAMC), continues to be the 7th largest Fund House in the country in terms of Quarterly Average Asset Under Management (QAAUM). Market share in QAAUM has grown to 6.14% from 4.32% 3 years back. KMAMC has outperformed strong growth in the mutual funds industry.

The NBFC sector experienced liquidity problems in September 2018. This not only resulted in increase in borrowing costs but also Kotak Mahindra Prime Limited and Kotak Mahindra Investments Limited (KMIL) had to maintain surplus liquidity for sometime, which had an impact on their bottomline. The liquidity concern in NBFC sector eased post January 2019. International subsidiaries have performed well and continue to add to the shareholders value.

KMIL on 26th April, 2019 sold off its entire equity stake of 19.77% held in Matrix Business Services India Pvt. Ltd. ('Matrix'), an associate company of KMIL. Accordingly, Matrix ceased to be an associate company of KMIL & consequently of the Bank from that date.

The various activities of the subsidiaries and the performance and financial position of the subsidiaries and associates are outlined in the Management Discussion and Analysis section appended to this Report.

The Bank's Policy for determining material subsidiaries is available on the Bank's website viz. URL: <https://www.kotak.com/en/investor-relations/governance/policies.html> in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. KLI is a material subsidiary of the Bank.

As at 31st March, 2019, your Bank has following four (4) Associate companies:

Infina Finance Private Limited

Phoenix ARC Private Limited

Matrix Business Services India Private Limited *

ACE Derivatives & Commodity Exchange Limited

* Ceased to be an Associate Company w.e.f. 26th April, 2019

The Annual Report which consists of the financial statements of your Bank on standalone basis as well as consolidated financial statements of the group for the year ended 31st March, 2019, is being sent to all the members of your Bank. The financial statements of the subsidiaries used for consolidation of the Bank's consolidated financial results are special purpose financial statements prepared in accordance with Generally Accepted Accounting Principles in India ('GAAP') specified under Section 133 of the Companies Act, 2013 read with relevant notifications. Web link of the Annual Report is sent to all members whose email IDs are registered with the Bank/Depository Participant(s). For members who have not registered their email IDs, physical copies of the Annual Report are sent. It does not contain Annual Reports of your Bank's subsidiary companies. Your Bank will make available full Annual Report (including the Annual Reports of all subsidiaries) either a hard or soft copy depending upon request by any member of your Bank. These Annual Reports will be available on your Bank's website viz. URL: <https://www.kotak.com/en/investor-relations/financial-results/annual-reports.html> and will also be available for inspection by any member at the Registered Office of your Bank during working hours.

EMPLOYEE STOCK OPTION & STOCK APPRECIATION RIGHTS SCHEMES

The stock options and the stock appreciation rights granted to the employees of the Bank and its subsidiaries currently operate under the following Schemes:

- Kotak Mahindra Equity Option Scheme 2007
- Kotak Mahindra Equity Option Scheme 2015
- Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2007
- Kotak Mahindra Bank Ltd. (IVBL) Employee Stock Option Scheme 2010
- Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2013
- Kotak Mahindra Stock Appreciation Rights Scheme 2015

The disclosures requirements under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, for the aforesaid ESOP & SARs Schemes, in respect of the year ended 31st March, 2019, are disclosed on the Bank's website viz. URL: <https://www.kotak.com/en/investor-relations/financial-results/annual-reports.html>

PROMOTER STAKE DILUTION MATTER

In August 2018, your Bank completed its issuance of Perpetual Non-Convertible Preference Shares (PNCPS) resulting in dilution of promoter stake to 19.70% of the paid-up capital of the Bank. However, the Reserve Bank of India (RBI) communicated to the Bank that the PNCPS issuance does not meet their promoter dilution requirement. The Bank has, by way of abundant caution, in December 2018, filed a writ petition with the Hon'ble Bombay High Court to validate its position. The writ petition is pending.

CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), a separate section entitled 'Report on Corporate Governance' has been included in this Annual Report. The Report of Corporate Governance also contains certain disclosures required under the Companies Act, 2013. A Business Responsibility Report containing the requisite details under Regulation 34 of the SEBI LODR Regulations is disclosed on the Bank's website viz. URL: <https://www.kotak.com/en/investor-relations/financial-results/annual-reports.html>

DIRECTORS & KEY MANAGERIAL PERSONNEL

Directors retiring by rotation

Mr. C Jayaram (DIN 00012214) retires by rotation at the Thirty Fourth Annual General Meeting (AGM) of the Bank and is eligible for re-appointment.

Appointment/Re-appointment of Directors

Dr. Shankar Acharya (DIN 00033242) who was Non-Executive Chairman of the Bank since July 2006, did not seek re-appointment as he completed 70 years of age and retired by rotation as a Director at the last Annual General Meeting of the Bank held on 19th July 2018. Mr. Prakash Apte (DIN 00196106), who has been on the Board of the Bank since March 2011 was appointed as part time Chairman of the Bank with effect from 20th July, 2018.

The Board of Directors of the Bank, at its meeting held on 14th/15th March, 2019, based on the recommendation of the Nomination and Remuneration Committee (NRC) and the results of the performance evaluation, re-appointed Mr. Prakash Apte, part-time Chairman of the Bank, as an Independent Director for a second term from 18th March, 2019 to 17th March, 2024, subject to necessary approvals. The Board, based on the recommendation of the NRC, also appointed Mr. Uday Shankar (DIN 01755963) as an Independent Director of the Bank with effect from 16th March, 2019 for a period of five years, subject to necessary approvals. Further, the Board recommended appointment of Mr. K.V.S. Manian (DIN 00031794) & Mr. Gaurang Shah (DIN 00016660) initially as Additional Directors acting as Whole-time Directors of the Bank for a period of three years with effect from the date of approval of the Reserve Bank of India, and subject to necessary approval from the shareholders.

As per Section 10-A(2-A) of the Banking Regulation Act, 1949 (B.R. Act), no director of a banking company, other than its chairman or whole-time director, by whatever name called, shall hold office continuously for a period exceeding eight years. In accordance with Section 10-A(2-A) of the B.R. Act and based on the recommendation of the NRC and the results of the performance evaluation, the Board of Directors of the Bank at its meeting held on 30th April, 2019 re-appointed Ms. Farida Khambata (DIN 06954123) as an Independent Director of the Bank for a second term i.e. the remaining period of three years from 7th September, 2019 to 6th September, 2022, subject to necessary approval from the shareholders.

Accordingly, approval of the shareholders for re-appointment of Mr. Apte & Ms. Khambata through special resolutions and appointment of Mr. Shankar and the Whole-time directors through ordinary resolutions is being sought at the ensuing AGM of the Bank. The details of the Directors being appointed/re-appointed are set out in the Notice of the ensuing AGM of the Bank.

Resignation/Cessation of Directors

Mr. Mark Newman (DIN 03518417), Non-Executive Non-Independent Director, resigned from the Board of the Bank with effect from 22nd February, 2019.

Mr. Amit Desai (DIN 00310510), ceased to be a director of the Bank with effect from 17th March, 2019 on completion of his eight years tenure pursuant to the provisions of Section 10-A(2-A)(i) of the Banking Regulation Act, 1949.

Your Directors place on record their appreciation for the valuable advice and guidance rendered by Mr. Mark Newman and Mr. Amit Desai, during their tenure as Directors of the Bank.

Declaration from Independent Directors

The Board has received declarations from the Independent Directors as per the requirement of Section 149(7) of the Companies Act, 2013 and the Board is satisfied that the Independent Directors meet the criteria of independence and fulfill the conditions as mentioned in Section 149(6) of the Companies Act, 2013 and are independent of the management.

Board Evaluation

The Nomination and Remuneration Committee (NRC) of the Bank's Board has formulated the criteria for performance evaluation of the Directors and the Board as a whole which broadly covers the Board role, Board/Committee membership, practice & procedure and collaboration & style. The performance of the Committees of the Board is evaluated on the criteria viz. composition & quality, process & procedure and the terms of reference.

The NRC of the Bank's Board engaged an external professional services firm to facilitate the self-evaluation process of the Board, its committees, Chairman and individual directors.

A Board effectiveness assessment questionnaire designed for the performance evaluation of the Board, its Committees, Chairman and individual directors (including Independent directors) in accordance with the criteria set and covering various aspects of performance including structure of the board, meetings of the board, functions of the board, role and responsibilities of the board, governance and compliance, evaluation of risks, grievance redressal for investors, conflict of interest, stakeholder value and responsibility, relationship among directors, director competency, board procedures, processes, functioning and effectiveness was circulated to all the directors of the Bank for the annual performance evaluation.

Based on the assessment of the responses received to the questionnaire from the directors on the annual evaluation of the Board, its Committees, the Chairman and the individual directors, the Board Evaluation Report was placed before the meeting of the Independent Directors for consideration. Similarly, the Board at its meeting assessed the performance of the Independent Directors. The Directors noted that the results of the performance evaluation of the Board & its Committees, Chairman and individual directors indicated a high degree of satisfaction amongst the directors. In line with the last year's suggestions of the directors, changing market dynamics & emerging demographic status of the customers, it was felt to actively consider bringing on the Board a director with digital and/or IT expertise to guide the Bank to the next level. Accordingly, the Board has appointed Mr. Uday Shankar, Director who has been driving the digital initiatives of Star India and has expertise in the field especially in understanding the customers' digital needs. Some of the suggestions this year for improving the performance of the Board & Committees were viz. enhanced oversight and opportunities for improvement & functioning of some committees, continuing education of the Board on new developments from governance prospective and Independent directors meeting with the Chairman individually once a year. Accordingly, it is proposed to convene every year a meeting of the Independent Directors with the Chairman individually and also continue to educate the Board on new developments from governance prospective and enhance their understanding of relevant risks, regulatory & industry issues. Further, for improving the functioning of some of the committees, steps have been taken to enhance their scope.

Key Managerial Personnel (KMPs)

The following officials of the Bank continue to be the "Key Managerial Personnel" pursuant to the provisions of Section 203 of the Companies Act, 2013:

- Mr. Uday Kotak, Managing Director & CEO
- Mr. Dipak Gupta, Joint Managing Director
- Mr. Jaimin Bhatt, President & Group Chief Financial Officer
- Ms. Bina Chandarana, Company Secretary

Appointment & Remuneration of Directors & KMPs

The appointment and remuneration of Directors of the Bank is governed by the provisions of Section 35B of the Banking Regulation Act, 1949. The NRC of the Bank's Board has formulated criteria for appointment of Senior Management personnel and the Directors. Based on the criteria set it recommends to the Board the appointment of Directors and Senior Management personnel.

The NRC reviews the range of skills, experience and expertise on the Board and identify its needs. After a detailed search, a master list of candidates is prepared. The NRC then shortlists the candidates from the master list based on the selection criteria viz. qualifications, knowledge, experience, skills, expertise, fit & proper status, positive attributes as per the suitability of the role, independent status and various regulatory/statutory requirements as may be required of the candidate. After detailed discussions and deliberations NRC recommends the candidate to the Board. Recognizing the skill set requirement at the Board, NRC went through the aforesaid process for selection of the new director on the Board this year and recommended the appointment of Mr. Uday Shankar who has been driving the digital initiatives of Star India and has expertise in the field especially in understanding the customers' digital needs.

The Reserve Bank of India ("RBI") vide its circular no.DBOD.No.BC.72/29.67.001/2011-12 dated 13th January 2012 has issued the Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Other Risk Takers of Private Sector Banks on Compensation Policy which *inter alia* cover the following:

- Proper balance between fixed pay and variable pay;
- Variable pay not to exceed 70% (Seventy Per Cent) of the fixed pay in a year;

In accordance with the aforesaid RBI Circular, the Board of the Bank has adopted a Compensation Policy for its Whole-time Directors, Chief Executive Officer of the Bank and other employees which includes issue of stock appreciation rights as a form of variable pay, linked to the Bank's stock price, payable over a period of time. The salient features of the Compensation Policy are as follows:

- Objective is to maintain fair, consistent and equitable compensation practices in alignment with Kotak's core values and strategic business goals.
- Applicable to all employees of the Bank. Employees classified into 3 groups:
 - o Whole-time Directors/Chief Executive Officer

- o Risk Control and Compliance Staff
- o Other categories of Staff
- Compensation structure broadly divided into Fixed, Variable and ESOPs
 - o Fixed Pay – Total cost to the Company i.e. Salary, Retirals and Other Benefits
 - o Variable Pay – Linked to assessment of performance and potential based on Balanced Key Result Areas (KRAs), Standards of Performance and achievement of targets with overall linkage to Bank budgets and business objectives. The main form of incentive compensation includes
 - Cash, Deferred Cash/Incentive Plan and Stock Appreciation Rights.
 - o ESOPs – Granted on a discretionary basis to employee based on their performance and potential with the objective of retaining the employee.
- Compensation Composition – The ratio of Variable Pay to Fixed Pay and the ratio of Cash v/s Non Cash within Variable pay outlined for each category of employee classification.
- Any variation in the Policy to be with approval of the Nomination & Remuneration Committee.
- Malus and Clawback clauses applicable on Deferred Variable Pay.
- Ensuring no personal hedging strategies by employees which undermine risk alignment effects as part of their remuneration.

The details of the remuneration paid to the Non-Executive Chairman, Executive and Non-Executive Directors of the Bank for the year ended 31st March, 2019 is provided in the Corporate Governance Report annexed to this Report.

The Non-Executive Chairman of the Bank receives a fixed amount of remuneration as recommended by the Board and approved by the shareholders of the Bank and RBI, from time to time. He also receives remuneration by way of sitting fees for attending meetings of the Board or Committees thereof.

RBI vide its circular no. DBR.No.BC.97/29.67.001/2014-15 dated June 1, 2015 has issued guidelines on payment of compensation to the Non-Executive Directors (NEDs) of private sector banks which inter-alia specifies the following:

- The Board of Directors of the Bank (in consultation with the Nomination & Remuneration Committee) needs to formulate and adopt a comprehensive compensation policy for NEDs (other than part-time non-executive Chairman).
- Maximum amount of profit related commission not to exceed ₹ 10 lakh per annum for each director of the Bank.

Accordingly, in line with the aforesaid RBI circular and pursuant to the relevant provisions of the Companies Act, 2013, the Board of the Bank has adopted a compensation policy for the NEDs (excluding the part-time Non-Executive Chairman). The salient features of the Compensation Policy are as follows:

- Compensation structure broadly divided into:
 - o Sitting fees
 - o Re-imbursment of expenses
 - o Commission (profit based)
- Amount of sitting fees and commission to be decided by the Board from time to time, subject to the regulatory limits.
- Overall cap on commission for each director ₹ 10 lakh per annum.
- NEDs not eligible for any stock options of the Bank.

Remuneration paid to the KMPs is in line with the Compensation Policy of the Bank which is based on the RBI Guidelines.

Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each director to the median remuneration of the employees for the financial year:

Directors	Title	Ratio
Mr. Uday Kotak	Managing Director & CEO	54.53x
Mr. Dipak Gupta	Joint Managing Director	54.36x
Dr. Shankar Acharya *	Non-Executive Chairman	-
Mr. Prakash Apte *	Non-Executive Chairman	-

* Refer Note 3

2. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Directors/KMP	Title	% increase in remuneration	% increase in remuneration excluding SARs
Mr. Uday Kotak	Managing Director & CEO	10.99	10.99
Mr. Dipak Gupta	Joint Managing Director	12.85	12.85
Dr. Shankar Acharya *	Non-Executive Chairman	-	-
Mr. Prakash Apte *	Non-Executive Chairman	-	-
Mr. Jaimin Bhatt	Group CFO	8.42	7.31
Ms. Bina Chandarana	Company Secretary	1.24	2.90

* Refer Note 3

3. Percentage increase in the median remuneration of employees in the financial year:

For employees who were in employment for the whole of FY 2017-18 and FY 2018-19 increase in the median remuneration is 11.19%.

4. Number of permanent employees on the rolls of Bank at the end of the year: 41,753

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

For employees other than managerial personnel who were in employment for the whole of FY 2017-18 and FY 2018-19 the average increase is 11.16% and 10.61% excluding SARs.

Average increase for managerial personnel is 9.66% and 9.76% excluding SARs.

6. Affirmation that the remuneration is as per the remuneration policy of the Bank:

The Bank is in compliance with its Compensation Policy.

Notes:

- 1) Remuneration includes Fixed pay + Variable paid during the year + perquisite value as calculated under the Income Tax Act, 1961. Remuneration does not include value of Stock Options.
- 2) Stock Appreciation Rights (SARs) are awarded as variable pay. These are settled in cash and are linked to the average market price/closing market price of the Bank's stock on specified value dates. Cash paid out during the year is included for the purposes of remuneration.
- 3) Dr. Shankar Acharya retired as a Non-Executive Chairman of the Bank on 19th July, 2018 & Mr. Prakash Apte, a Non-Executive Independent Director of the Bank, was appointed as a Non-Executive Chairman of the Bank with effect from 20th July, 2018. Accordingly, disclosure with respect to their ratio of remuneration/percentage increase in remuneration is not made.
- 4) The Non-Executive Directors of the Bank, other than the Non-Executive Chairman receive remuneration in the form of sitting fees for attending the Board/Committee meetings and in the form of an annual profit based commission. The Non-Executive Chairman gets sitting fees for attending meetings and gets a remuneration approved by the shareholders and RBI.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 ('Act'), your Bank has appointed Ms. Rupal D. Jhaveri, a Company Secretary in Practice, as its Secretarial Auditor. The Secretarial Audit Report for the financial year ended 31st March, 2019 as required under Section 204 of the Act and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report. Your Bank is in compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 for FY 2018-19.

Kotak Mahindra Life Insurance Company Limited ('KLI'), the Bank's material unlisted subsidiary has got its secretarial audit done and there are no reservations or adverse remarks or disclaimers made in the Secretarial Audit Report for the financial year ended 31st March, 2019. The Secretarial Audit Report of KLI is annexed to this Report.

ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Bank as on 31st March, 2019 once prepared shall be disclosed on the Bank's website viz. URL: <https://www.kotak.com/en/investor-relations/financial-results/annual-reports.html>

An extract of the Annual Return as on 31st March, 2019 in Form MGT-9 is annexed to this Report.

DEPOSITS

Being a banking company, the disclosures required as per Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Section 73 and 74 of the Companies Act, 2013 are not applicable to your Bank.

AUDITORS

Messrs S.R. Batliboi & Co. LLP, Chartered Accountants, statutory auditors of your Bank, retire on the conclusion of the Thirty fourth Annual General Meeting of the Bank. They have been auditors of the Bank for last four financial years. Pursuant to the guidelines issued by the Reserve Bank of India (RBI), an audit firm is allowed to continue as the statutory auditor of a bank for a continuous period of four years only. Accordingly, it is proposed to appoint, subject to the regulatory approvals, Messrs Walker Chandio & Co. LLP, Chartered Accountants (Registration No. 001076N/N500013), as the statutory auditors of the Bank in place of Messrs S.R. Batliboi & Co. LLP, Chartered Accountants, who have completed four years as the statutory auditors. The necessary application has been made to RBI and approval is awaited. The appointment of auditors along with the relevant details is proposed to the members in the Notice of the current i.e. the Thirty fourth Annual General Meeting for a period of two years from the conclusion of the Thirty fourth Annual General Meeting until the conclusion of the Thirty sixth Annual General Meeting of the Bank, subject to the annual approval of RBI.

INTERNAL FINANCIAL CONTROLS

The Board of Directors confirms that your Bank has laid down set of standards, processes and structure which enables to implement internal financial controls across the organization with reference to financial statements and that such controls are adequate and are operating effectively. During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

IMPLEMENTATION OF IND AS

The Ministry of Finance, Government of India has vide its press release dated 18th January, 2016 outlined the roadmap for implementation of International Financial Reporting Standards (IFRS) converged Indian Accounting Standards (Ind AS) for Scheduled commercial bank (excluding RRBs), Non-banking Financial Companies and Insurance companies. RBI has advised Banks vide circular no. RBI/2015-16/315DBR.BP.BC.No.76/21.07.001/2015-16 to follow the Ind AS from 1st April, 2018 as notified under the Companies (Indian Accounting Standards) Rules, 2015 subject to any guideline/direction issued in this regard. Subsequently, RBI through its first monetary policy statement for FY 2018-19 on 5th April, 2018, deferred Ind AS implementation for the Scheduled commercial bank (excluding RRBs) by one year i.e. the implementation of Ind AS will begin from 1st April, 2019 onwards. Further, RBI through vide circular no. DBR.BP.BC.No.29/21.07.001/2018-19 dated 22nd March 2019, deferred the implementation of Ind AS for scheduled commercial banks till further notice.

As per Reserve Bank of India (RBI) directions, your Bank has taken following steps so far:

- Submitted Standalone Proforma Ind AS financial statements to RBI on a quarterly basis effective FY 2018-19, as required.
- Formed Steering Committee for Ind AS implementation. The Steering Committee comprises of representatives from Finance, Risk, Operations and Treasury. The Committee oversees the progress of Ind AS implementation in the Bank, and provides guidance on critical aspects of the implementation such as Ind AS technical requirements, systems and processes, business impact, people and project management. The Committee closely review's progress of Ind AS implementation.
- The Bank has identified gaps in IT Systems and the changes required to automate Ind AS. The Bank is in advanced stages for Ind AS implementation.

The Bank will continue to liaise with RBI and industry bodies on various aspects pertaining to Ind AS implementation.

RELATED PARTY TRANSACTIONS

All the Related Party Transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business.

Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no Related Party Transactions to be reported under Section 188(1) of the Companies Act, 2013, in form AOC-2.

All Related Party Transactions are placed before the Audit Committee for its review and approved on a quarterly basis. An omnibus approval of the Audit Committee is obtained for the Related Party Transactions which are repetitive in nature. Further, all Related Party Transactions are reviewed by the statutory auditors of the Bank. Also, during the year, the Bank had engaged the services of an external auditor for verification of the Related Party Transactions, its disclosure and validation of the process followed by the Bank.

All Related Party Transactions as required under Accounting Standards AS-18 are reported in Note 25 of Schedule 17 – Notes to Accounts of the Consolidated financial statements and Note 7 of Schedule 18B – Notes to Accounts of the Standalone financial statements of your Bank.

The Bank's Policy on dealing with Related Party Transactions is available on the Bank's website viz. URL: <https://www.kotak.com/en/investor-relations/governance/policies.html>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Companies Act, 2013, loans made, guarantees given, securities provided or acquisition of securities by a banking company in the ordinary course of its business are exempted from the disclosure requirement under Section 134(3)(g) of the Companies Act, 2013.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Bank is committed to its "Vision Statement" of upholding its Global Indian Financial Services Brand creating an ethos of trust across all constituents, developing a culture of empowerment and a spirit of enterprise thereby becoming the most preferred employer in the financial services sector.

Consistent with the Vision Statement, your Bank is committed to maintain and provide to all its employees and directors highest standards of transparency, probity and accountability. The Kotak Group endeavours to develop a culture where it is safe and acceptable for all employees and directors to raise / voice genuine concerns in good faith, and in a responsible as well as effective manner.

A vigil mechanism has been implemented through the adoption of Whistleblower Policy with an objective to enable any employee or director or vendor, raise genuine concern or report evidence of activity by the Bank or its employee or director or vendor that may constitute: Instances of corporate fraud; unethical business conduct; a violation of Central or State laws, rules, regulations and/or any other regulatory or judicial directives; any unlawful act, whether criminal or civil; malpractice; serious irregularities; impropriety, abuse or wrong doing; deliberate breaches and non-compliance with the Bank's policies; questionable accounting/audit matters/financial malpractice. The concerns can be reported online on the website viz. URL: <https://cwiportal.com/kotak> which is managed by independent third party.

Safeguards to avoid discrimination, retaliation, or harassment, and confidentiality have been incorporated in the policy. All employees and directors have access to the Chairman of the Audit Committee in appropriate and exceptional circumstances. Further, the Chairman of the Audit Committee has access rights to the whistle blower portal.

The Policy has been uploaded on the Bank's intranet as well as website viz. URL: <https://www.kotak.com/en/investor-relations/governance/policies.html> and regular communication is made for sustained awareness.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Bank has constituted a Board Corporate Social Responsibility Committee (CSR Committee). The CSR Committee presently consists of Prof. S. Mahendra Dev, Mr. C. Jayaram and Mr. Dipak Gupta.

Your Bank's CSR Committee drives the CSR programme of the Bank. Your Bank has a Board approved CSR policy, charting out its CSR approach. This policy articulates the Bank's aim to positively contribute towards economic, environmental and social well-being of communities through its CSR interventions. The core CSR focus areas outlined are:

- Education
- Vocational skills and livelihood
- Preventive healthcare and sanitation
- Reducing inequalities faced by socially and economically backward groups
- Sustainable development
- Relief and rehabilitation
- Clean India
- Sports

The Bank's CSR Policy is available on the Bank's website: <https://www.kotak.com/en/about-us/corporate-responsibility.html>

Pursuant to the provisions of Section 135, Schedule VII of the Companies Act, 2013 (the Act), read with the Companies (Corporate Social Responsibility) Rules, 2014 the report of the expenditure on CSR by the Bank is as under:

The average net profit u/s 198 of the Bank for the last three financial years preceding 31st March, 2019 is ₹4,813.64 crore.

The prescribed CSR expenditure required u/s 135, of the Act for FY 2018-19 is ₹9,627 lakh.

The CSR expenditure incurred from 1st April, 2018 to 31st March, 2019 u/s 135 of the Companies Act, 2013 amounts to ₹3,655 lakh as against ₹2,640 lakh CSR Expenditure incurred in FY 2017-18. The unspent CSR expenditure amount for FY 2018-19 is ₹ 5,972 lakh.

CSR expenditure of ₹3,655 lakh as a percentage of average net profit u/s 198 of the Bank at ₹4,813.64 crore is 0.76%.

The Bank's CSR programmes and expenditures are approved by the Board CSR Committee and the Board. The Bank's CSR programmes and expenditure are guided by the vision of creating long-term benefits for the society. The Bank has been building its CSR capabilities on a

sustainable basis and is committed to gradually increasing its CSR spending in the coming year for its long-term projects. The Bank identifies suitable NGO partners for carrying out its CSR programmes. It undertakes CSR programmes that are scalable, sustainable and have the potential to be replicated across locations and create a sustainable and measurable impact in communities.

Most of the CSR programmes undertaken are in the area of education, healthcare, livelihood, vocational skill development, sports and other areas such as relief and rehabilitation and environmental sustainability etc. The Bank's CSR footprint has been consistently increasing over the years. The Bank is committed to stepping-up its CSR programmes and expenditure in the years ahead.

The Bank's CSR expenditure in FY 2018-19 of ₹3,655 lakh, which is over 38% higher than the previous financial year. In FY 2016-17, the Bank's CSR expenditure was ₹1,733 lakh, which increased to ₹2,640 lakh in FY 2017-18 – an increase of over 52% over the previous financial year.

One of the reasons for Bank CSR expenditure's underspend is the NGOs' inability to utilise large CSR expenditure allocated under the Bank's CSR Programmes.

Your Bank does not consider "administrative overheads" as part of its CSR Expenditure.

The details of CSR Programmes and Expenditure u/s 135 of the Companies Act, 2013, for FY 2018-19, are annexed to this report.

RISK MANAGEMENT POLICY

Your Bank has a Group Enterprise wide Risk Management (ERM) framework supported by appropriate policies and processes for management of Credit Risk, Market Risk, Liquidity Risk, Operational Risk and various other Risks. Details of identification, assessment, mitigations, monitoring and the management of these Risks are mentioned in the Management Discussion and Analysis section appended to this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to your Bank.

EMPLOYEES

The employee strength of your Bank, standalone, was over 41,500 and along with its subsidiaries was over 60,000 as of 31st March, 2019.

146 employees employed throughout the year were in receipt of remuneration of ₹102 lakh or more per annum and 40 employees employed for part of the year were in receipt of remuneration of ₹8.5 lakh or more per month.

Culture and values drive have been enhanced through various interactions and employee communication platforms in the organization. Your Bank continued to reiterate this through cross functional meets conducted by senior business leaders for employees at mid management level under the "Meet 5" initiative. It has also enhanced the focus on mental and physical wellbeing of the employees through mobile first platform launched for managing, tracking and facilitative on various health and wellness related requirements of the employees.

Your Bank has continued on the Gender Diversity agenda.

- A differentiated talent acquisition strategy to increase women employee base across various suitable roles has helped us to continue adding 24% women amongst all new hires in the Bank. While continuing with our philosophy of providing equal opportunities, an aggressive push in this area will help us achieve a better balance in gender diversity.
- Prevention of Sexual Harassment (POSH): Bank continues with the belief on zero tolerance towards sexual harassment at workplace and continues to uphold and maintain itself as a safe and non-discriminatory organization. To achieve the same Kotak reinforces the understanding and awareness of Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Bank has formulated Internal Complaints Committee (ICC) at three regions for reporting any untoward instance. Any complaints pertaining to sexual harassment are diligently reviewed and investigated and treated with great sensitivity. The ICC members have been trained in handling and resolving complaints and have also designed an online e-learning POSH Awareness module which covers the larger employee base.

Following is a summary of sexual harassment complaints received and disposed off during the year 2018-19:

o No. of complaints received	:	27
o No. of complaints disposed off *	:	26

* In respect of one pending case, enquiries were in progress at the close of the year. All the cases pertaining to the previous year which were pending at the beginning have been closed.

As Bank enters in its next phase of growth and expansion of footprint across urban and rural India, Bank and its subsidiaries continued to carry out several initiatives to attract and retain a pool of highly skilled and motivated employees who are aligned to the firm's vision of becoming the most trusted financial services provider.

In accordance with the provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the names and other particulars of the employees are set out in the annexure to the Directors' Report. In terms of the proviso to Section 136(1) of

the Companies Act, 2013, the Directors' Report is being sent to all shareholders excluding the aforesaid annexure. The annexure is available for inspection at the Registered Office of your Bank. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of your Bank.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, based on the representations received from the operational management, confirm in pursuance of Section 134(5) of the Companies Act, 2013, that:

- (i) your Bank has, in the preparation of the annual accounts for the year ended 31st March, 2019, followed the applicable accounting standards along with proper explanations relating to material departures, if any;
- (ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Bank as at 31st March, 2019 and of the profit of your Bank for the financial year ended 31st March, 2019;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Bank and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and are operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ANNEXURES

Following statements/reports/certificates are set out as Annexures to the Directors' Report:

- Extract of Annual Return under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 (1) of Companies (Management & Administration) Rules, 2014.
- Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Details of CSR activities and spends under Section 135 of the Companies Act, 2013.
- Certificate from the auditors regarding compliance of conditions of corporate governance as stipulated in para E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their gratitude for the valuable guidance and support received from the Reserve Bank of India, Securities and Exchange Board of India, Insurance Regulatory and Development Authority and other Government and Regulatory agencies. Your Directors acknowledge the support of the members and also wish to place on record their appreciation of employees for their commendable efforts, teamwork and professionalism.

For and on behalf of the Board of Directors

Prakash Apte
Chairman

Place: Mumbai
Date: 31st May, 2019

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L65110MH1985PLC038137
ii)	Registration Date	21 st November, 1985
iii)	Name of the Company	Kotak Mahindra Bank Ltd.
iv)	Category / Sub-Category of the Company	Banking Company
v)	Address of the Registered office and contact details	27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Tel No. : (022) 61660001 Fax No.: (022) 67132403
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500032, Tel : +91 (040) 67161559

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Monetary intermediation of commercial banks, saving banks. postal savings bank and discount Houses	64191	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held *	Applicable Section
Domestic Subsidiaries					
1	Kotak Mahindra Prime Limited 27BKC, C 27, G Block Bandra Kurla Complex, Bandra (E), Mumbai – 400051	U67200MH1996PLC097730	Subsidiary	100.00	2(87)
2	Kotak Mahindra Investments Limited 27BKC, C 27, G Block Bandra Kurla Complex, Bandra (E), Mumbai – 400051	U65900MH1988PLC047986	Subsidiary	100.00	2(87)
3	Kotak Securities Limited 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	U99999MH1994PLC134051	Subsidiary	100.00	2(87)
4	Kotak Mahindra Capital Company Limited 27BKC, Plot No. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	U67120MH1995PLC134050	Subsidiary	100.00	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held *	Applicable Section
5	Kotak Mahindra Life Insurance Company Limited 2 nd Floor, Plot # C- 12, G- Block, BKC, Bandra (E), Mumbai - 400051	U66030MH2000PLC128503	Subsidiary	100.00	2(87)
6	Kotak Mahindra General Insurance Company Limited 27 BKC, C27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	U66000MH2014PLC260291	Subsidiary	100.00	2(87)
7	Kotak Mahindra Asset Management Company Limited 27BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	U65991MH1994PLC080009	Subsidiary	100.00	2(87)
8	Kotak Mahindra Trustee Company Limited 27BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	U65990MH1995PLC090279	Subsidiary	100.00	2(87)
9	Kotak Mahindra Pension Fund Limited 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	U67200MH2009PLC191144	Subsidiary	100.00	2(87)
10	Kotak Investment Advisors Limited 27 BKC, 7 th Floor, Plot No. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	U65990MH1994PLC077472	Subsidiary	100.00	2(87)
11	Kotak Mahindra Trusteeship Services Limited 27 BKC, 6 th Floor, Plot No. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	U65991MH2000PLC125008	Subsidiary	100.00	2(87)
12	Kotak Infrastructure Debt Fund Limited 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	U65910MH1988PLC048450	Subsidiary	100.00	2(87)
13	IVY Product Intermediaries Limited 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	U85110MH1987PLC294572	Subsidiary	100.00	2(87)
14	BSS Microfinance Limited No.11, 2 nd Block, 2 nd Stage, Outer Ring Road, Near BDA Complex, Nagarabhavi Layout, Bangalore – 560072	U74899KA1994PLC049746	Subsidiary	100.00	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held *	Applicable Section
International Subsidiaries					
15	Kotak Mahindra (UK) Limited 55 Baker Street, London, W1U 7EU, UK	-	Subsidiary	100.00	2(87)
16	Kotak Mahindra (International) Limited Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	-	Subsidiary	100.00	2(87)
17	Kotak Mahindra Inc. 251 Little Falls Drive, New Castle County Wilmington, DE 19808 USA	-	Subsidiary	100.00	2(87)
18	Kotak Mahindra Financial Services Limited 7 th Floor, 703, Office Tower – 2, Al Fattan Currency House, Dubai International Financial Centre, PO Box 16498, Dubai	-	Subsidiary	100.00	2(87)
19	Kotak Mahindra Asset Management (Singapore) Pte. Limited 16, Raffles Quay, #35-02, Hong Leong Building, Singapore – 048581	-	Subsidiary	100.00	2(87)
Associate Companies					
20	Infina Finance Private Limited 7 th Floor, Dani Corporate Park, 158, C.S.T. Road, Kalina Santacruz (E), Mumbai - 400098.	U67120MH1996PTC098584	Associate	49.99	2(6)
21	Phoenix ARC Private Limited 5 th Floor, Dani Corporate Park, 158, CST Road, Kalina, Santacruz (E), Mumbai - 400098	U67190MH2007PTC168303	Associate	49.90	2(6)
22	Matrix Business Services India Private Limited ** Shree Mahamadhi Towers, New No 17, Arulambal Street, T Nagar, Chennai - 600017	U74140TN2003PTC051482	Associate	19.77	2(6)
23	ACE Derivatives & Commodity Exchange Limited 1 st Floor, Popular House, Ashram Road, Navrangpura, Ahmedabad, Gujarat - 380009.	U67100GJ1956PLC000597	Associate	40.00	2(6)

* Direct and indirect holdings

** Ceased to be an Associate Company w.e.f. 26th April 2019

IV SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)
(i) Category-wise Share Holding

Category of Shareholders	No. of Equity shares held at the beginning of the year				No. of Equity shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Equity shares	Demat	Physical	Total	% of Total Equity shares	
A. Promoters									
1) Indian									
a) Individual / HUF	571,841,408	-	571,841,408	30.01	571,841,408	-	571,841,408	29.96	-0.05
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	624,556	-	624,556	0.03	624,556	-	624,556	0.03	0.00
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub total (A) (1)	572,465,964	-	572,465,964	30.04	572,465,964	-	572,465,964	29.99	-0.05
2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	572,465,964	-	572,465,964	30.04	572,465,964	-	572,465,964	29.99	-0.05
B. Public Shareholding as per classification given by Depository									
1. Institutions									
a) Mutual Funds	134,841,280	28,000	134,869,280	7.08	160,168,020	28,000	160,196,020	8.39	1.31
b) Banks / FI	3,790,240	7,068	3,797,308	0.20	3,421,462	6,634	3,428,096	0.18	-0.02
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Alternative Investment Funds	2,255,479	-	2,255,479	0.12	3,846,505	-	3,846,505	0.20	0.08
g) Insurance Companies	30,173,597	-	30,173,597	1.58	52,349,181	-	52,349,181	2.74	1.16
h) FIs	753,862,041	25,600	753,887,641	39.56	768,539,880	25,600	768,565,480	40.27	0.71
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	924,922,637	60,668	924,983,305	48.54	988,325,048	60,234	988,385,282	51.78	3.24
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	59,396,957	62,012	59,458,969	3.12	63,869,294	57,952	63,927,246	3.35	0.23
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Equity shares held at the beginning of the year				No. of Equity shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Equity shares	Demat	Physical	Total	% of Total Equity shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	67,307,312	6,980,835	74,288,147	3.90	72,394,064	5,780,455	78,174,519	4.10	0.20
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	109,118,228	331,816	109,450,044	5.74	103,965,192	214,992	104,180,184	5.46	-0.29
c) Others (specify)									
Non Resident Indians	3,014,992	1,215,448	4,230,440	0.22	4,275,735	991,024	5,266,759	0.28	0.06
Non Resident Indians Non- Repatriable	2,757,697	-	2,757,697	0.14	2,935,282	-	2,935,282	0.15	0.01
Overseas Bodies Corporate	8,406,960	-	8,406,960	0.44	8,406,960	-	8,406,960	0.44	0.00
Foreign Bank	32,800,000	-	32,800,000	1.72	32,800,000	-	32,800,000	1.72	0.00
Foreign Bodies	97,166,170	-	97,166,170	5.10	25,966,992	-	25,966,992	1.36	-3.74
Foreign Bodies-DR	34,400	-	34,400	0.00	1,744	-	1,744	0.00	0.00
Trust	10,253,369	-	10,253,369	0.54	13,137,126	-	13,137,126	0.69	0.15
HUF	1,996,686	14	1,996,700	0.10	1,968,262	14	1,968,276	0.10	0.00
IEPF	2,452,525	-	2,452,525	0.13	3,160,801	-	3,160,801	0.17	0.04
Clearing Members	3,628,987	-	3,628,987	0.19	6,414,483	-	6,414,483	0.34	0.15
NBFC	1,273,379	-	1,273,379	0.07	1,561,659	-	1,561,659	0.08	0.01
Foreign National	1,450	-	1,450	0.00	1,550	-	1,550	0.00	0.00
Sub-total(B)(2)-	399,609,112	8,590,125	408,199,237	21.42	340,859,144	7,044,437	347,903,581	18.23	-3.19
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,324,531,749	8,650,793	1,333,182,542	69.96	1,329,184,192	7,104,671	1,336,288,863	70.01	0.05
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,896,997,713	8,650,793	1,905,648,506	100.00	1,901,650,156	7,104,671	1,908,754,827	100.00	

Note:

The increase in Equity Share Capital during FY 2018-19 is on account of allotment of equity shares under the various ESOP Schemes of the Bank.

(ii) Shareholding of Promoters

Sl no.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Equity shares	% of total Equity shares of the company	% of Equity shares pledged / encumbered to total Equity shares	No. of Equity shares	% of total Equity shares of the company	% of Equity shares pledged / encumbered to total Equity shares	
1	Uday Suresh Kotak	566,927,100	29.75	0.00	566,927,100	29.70	0.00	-0.05
2	Kotak Trustee Company Pvt. Ltd. Beneficial Owner Mr. Uday S Kotak	624,556	0.03	0.00	624,556	0.03	0.00	0.00
3	Indira Suresh Kotak	2,300,000	0.12	0.00	2,300,000	0.12	0.00	0.00
4	Pallavi Kotak	1,111,580	0.06	0.00	1,111,580	0.06	0.00	0.00
5	Dinkarra Kalidas Desai	793,508	0.04	0.00	0	0.00	0.00	-0.04
6	Kusum Dinkarra Desai	298,260	0.02	0.00	0	0.00	0.00	-0.02
7	Suresh Amritlal Kotak	200,000	0.01	0.00	200,000	0.01	0.00	0.00
8	Suresh A Kotak (HUF)	110,000	0.01	0.00	110,000	0.01	0.00	0.00
9	Aarti Neal Chandaria	57,360	0.00	0.00	57,360	0.00	0.00	0.00
10	Janak Dinkarra Desai	43,600	0.00	0.00	11,35,368	0.06	0.00	0.06
	Total	572,465,964	30.04	0.00	572,465,964	29.99	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. no.		No. of Equity shares	% of total Equity shares of the company	Cumulative Shareholding during the year	
				No. of Equity shares	% of total Equity shares of the company
	At the beginning of the year	572,465,964	30.04	572,465,964	30.04
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
1	Dinkarra Kalidas Desai	Gift 19/12/2018	-793,508	-0.04	
2	Kusum Dinkarra Desai	Gift 19/12/2018	-298,260	-0.02	
3	Janak Dinkarra Desai	Gift 19/12/2018	1,091,768	0.06	572,465,964
	At the End of the year			572,465,964	29.99

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl no	Name of the Shareholder			Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Date of change	Cumulative Shareholding during the year	
				No. of Equity shares	% of total Equity shares of the company	No. of Equity shares - Decrease	No. of Equity shares - Increase	Reason		No. of Equity shares	% of total Equity shares of the company
1	Canada Pension Investment Board			115,163,850	6.04	-	-		31/03/2018	115,163,850	6.04
						-	-		31/03/2019	115,163,850	6.03
2	Europacific Growth Fund			94,161,246	4.94	-	-		31/03/2018	94,161,246	4.94
						1,378,664	-	Market Sale	21/12/2018	92,782,582	4.86
						321,938	-	Market Sale	28/12/2018	92,460,644	4.85
						116,862	-	Market Sale	04/01/2019	92,343,782	4.84
						30,387	-	Market Sale	11/01/2019	92,313,395	4.84
						279,917	-	Market Sale	18/01/2019	92,033,478	4.82
						-	2,850,000	Market Purchase	01/03/2019	94,883,478	4.97
3	Oppenheimer Developing Markets Fund			57,073,844	2.99	-	-		31/03/2018	57,073,844	2.99
						-	3,422,169	Market Purchase	19/10/2018	60,496,013	3.17
						-	4,467,879	Market Purchase	26/10/2018	64,963,892	3.41
						-	1,088,361	Market Purchase	15/02/2019	66,052,253	3.46
						-	-		31/03/2019	66,052,253	3.46
4	Sumitomo Mitsui Banking Corporation			32,800,000	1.72	-	-		31/03/2018	32,800,000	1.72
						-	-		31/03/2019	32,800,000	1.72
5	SBI Mutual Funds			31,615,462	1.66	-	-		31/03/2018	31,615,462	1.66
						-	128,740	Market Purchase	06/04/2018	31,744,202	1.67
						-	65,355	Market Purchase	13/04/2018	31,809,557	1.67
						-	1,176,481	Market Purchase	20/04/2018	32,986,038	1.73
						-	58,877	Market Purchase	27/04/2018	33,044,915	1.74
						98,465	-	Market Sale	04/05/2018	32,946,450	1.73
						-	129,665	Market Purchase	11/05/2018	33,076,115	1.74
						-	209,418	Market Purchase	18/05/2018	33,285,533	1.75
						-	7,112	Market Purchase	25/05/2018	33,292,645	1.75
						692798	-	Market sale	01/06/2018	32,599,847	1.71

Sl no	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Date of change	Cumulative Shareholding during the year	
		No. of Equity shares	% of total Equity shares of the company	No. of Equity shares - Decrease	No. of Equity shares - Increase	Reason		No. of Equity shares	% of total Equity shares of the company
				-	322,221	Market Purchase	08/06/2018	32,922,068	1.73
				-	187,096	Market Purchase	15/06/2018	33,109,164	1.74
				-	79,040	Market Purchase	22/06/2018	33,188,204	1.74
				275,750	-	Market sale	29/06/2018	32,912,454	1.73
				-	601,510	Market Purchase	06/07/2018	33,513,964	1.76
				1,770	-	Market sale	13/07/2018	33,512,194	1.76
				-	91,766	Market Purchase	20/07/2018	33,603,960	1.76
				21,622	-	Market sale	27/07/2018	33,582,338	1.76
				-	764,996	Market Purchase	03/08/2018	34,347,334	1.80
				-	145,213	Market Purchase	10/08/2018	34,492,547	1.81
				-	42,402	Market Purchase	17/08/2018	34,534,949	1.81
				-	183,403	Market Purchase	24/08/2018	34,718,352	1.82
				-	156,726	Market Purchase	31/08/2018	34,875,078	1.83
				-	1,361,830	Market Purchase	07/09/2018	36,236,908	1.90
				-	267,513	Market Purchase	14/09/2018	36,504,421	1.91
				-	126,795	Market Purchase	21/09/2018	36,631,216	1.92
				54,248	-	Market sale	28/09/2018	36,576,968	1.92
				-	96,838	Market Purchase	05/10/2018	36,673,806	1.92
				162,494	-	Market sale	12/10/2018	36,511,312	1.91
				199,645	-	Market sale	19/10/2018	36,311,667	1.90
				-	50,966	Market Purchase	26/10/2018	36,362,633	1.91
				-	259,413	Market Purchase	02/11/2018	36,622,046	1.92
				-	127,873	Market Purchase	09/11/2018	36,749,919	1.93
				-	345,604	Market Purchase	16/11/2018	37,095,523	1.95

Sl no	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Date of change	Cumulative Shareholding during the year	
		No. of Equity shares	% of total Equity shares of the company	No. of Equity shares - Decrease	No. of Equity shares - Increase	Reason		No. of Equity shares	% of total Equity shares of the company
				-	115,927	Market Purchase	23/11/2018	37,211,450	1.95
				-	91,452	Market Purchase	30/11/2018	37,302,902	1.96
				-	240,252	Market Purchase	07/12/2018	37,543,154	1.97
				-	115,555	Market Purchase	14/12/2018	37,658,709	1.97
				-	135,498	Market Purchase	21/12/2018	37,794,207	1.98
				-	20,261	Market Purchase	28/12/2018	37,814,468	1.98
				-	31,470	Market Purchase	31/12/2018	37,845,938	1.98
				-	188,929	Market Purchase	04/01/2019	38,034,867	1.99
				-	202,088	Market Purchase	11/01/2019	38,236,955	2.00
				-	205,803	Market Purchase	18/01/2019	38,442,758	2.02
				-	414,556	Market Purchase	25/01/2019	38,857,314	2.04
				-	224,299	Market Purchase	01/02/2019	39,081,613	2.05
				-	210,232	Market Purchase	08/02/2019	39,291,845	2.06
				-	39,364	Market Purchase	15/02/2019	39,331,209	2.06
				-	106,110	Market Purchase	22/02/2019	39,437,319	2.07
				-	241,159	Market Purchase	01/03/2019	39,678,478	2.08
				-	82,995	Market Purchase	08/03/2019	39,761,473	2.08
				-	278,883	Market Purchase	15/03/2019	40,040,356	2.10
				-	578,400	Market Purchase	22/03/2019	40,618,756	2.13
				-	52,530	Market Purchase	29/03/2019	40,671,286	2.13
							31/03/2019	40,671,286	2.13

Sl no	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Date of change	Cumulative Shareholding during the year	
		No. of Equity shares	% of total Equity shares of the company	No. of Equity shares - Decrease	No. of Equity shares - Increase	Reason		No. of Equity shares	% of total Equity shares of the company
6	Life Insurance Corporation of India	12,226,354	0.64	-	-		31/03/2018	12,226,354	0.64
				-	340,200	Market Purchase	21/09/2018	12,566,554	0.66
				-	1,594,252	Market Purchase	28/09/2018	14,160,806	0.74
				-	1,240,025	Market Purchase	05/10/2018	15,400,831	0.81
				-	1,392,851	Market Purchase	12/10/2018	16,793,682	0.88
				-	690,074	Market Purchase	19/10/2018	17,483,756	0.92
				-	1,545,454	Market Purchase	26/10/2018	19,029,210	1.00
				-	790,684	Market Purchase	02/11/2018	19,819,894	1.04
				-	839,062	Market Purchase	09/11/2018	20,658,956	1.08
				-	2,060,690	Market Purchase	16/11/2018	22,719,646	1.19
				-	245,418	Market Purchase	23/11/2018	22,965,064	1.20
				-	429,472	Market Purchase	30/11/2018	23,394,536	1.23
				-	66,403	Market Purchase	14/12/2018	23,460,939	1.23
				-	468,032	Market Purchase	21/12/2018	23,928,971	1.25
				-	435,865	Market Purchase	28/12/2018	24,364,836	1.28
				-	144,000	Market Purchase	31/12/2018	24,508,836	1.28
				-	512,090	Market Purchase	04/01/2019	25,020,926	1.31
				-	638,519	Market Purchase	11/01/2019	25,659,445	1.35
				-	798,958	Market Purchase	18/01/2019	26,458,403	1.39
				-	190,463	Market Purchase	25/01/2019	26,648,866	1.40
				-	498,500	Market Purchase	01/02/2019	27,147,366	1.42

SI no	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Date of change	Cumulative Shareholding during the year	
		No. of Equity shares	% of total Equity shares of the company	No. of Equity shares - Decrease	No. of Equity shares - Increase	Reason		No. of Equity shares	% of total Equity shares of the company
				-	308,757	Market Purchase	08/02/2019	27,456,123	1.44
				-	500,162	Market Purchase	15/02/2019	27,956,285	1.47
				-	525,590	Market Purchase	22/02/2019	28,481,875	1.49
				-	912,503	Market Purchase	01/03/2019	29,394,378	1.54
				-	646,888	Market Purchase	08/03/2019	30,041,266	1.57
				-	598,552	Market Purchase	15/03/2019	30,639,818	1.61
				-	287,000	Market Purchase	22/03/2019	30,926,818	1.62
							31/03/2019	30,926,818	1.62
7	Capital World Growth and Income Fund	28,150,731	1.48	-	-		31/03/2018	28,150,731	1.48
				533,452	-	Market Sale	24/08/2018	27,617,279	1.45
				1,030,000	-	Market Sale	28/09/2018	26,587,279	1.39
				-	2,404,752	Market Purchase	07/12/2018	28,992,031	1.52
				-	513,176	Market Purchase	14/12/2018	29,505,207	1.55
				-	622,072	Market Purchase	01/02/2019	30,127,279	1.58
							31/03/2019	30,127,279	1.58
8	Caladium Investment Pte Ltd	25,966,992	1.36	-	-		31/03/2018	25,966,992	1.36
							31/03/2019	25,966,992	1.36
9	Axis Mutual Fund	15,710,475	0.82	-	-		31/03/2018	15,710,475	0.82
				-	210,351	Market Purchase	06/04/2018	15,920,826	0.84
				-	318,000	Market Purchase	13/04/2018	16,238,826	0.85
				125,200	-	Market Sale	20/04/2018	16,113,626	0.85
				-	328,000	Market Purchase	27/04/2018	16,441,626	0.86
				-	199,830	Market Purchase	11/05/2018	16,641,456	0.87
				206,291	-	Market Sale	01/06/2018	16,435,165	0.86
				-	95,740	Market Purchase	15/06/2018	16,530,905	0.87

Sl no	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Date of change	Cumulative Shareholding during the year	
		No. of Equity shares	% of total Equity shares of the company	No. of Equity shares - Decrease	No. of Equity shares - Increase	Reason		No. of Equity shares	% of total Equity shares of the company
				-	74,000	Market Purchase	29/06/2018	16,604,905	0.87
				-	235,094	Market Purchase	13/07/2018	16,839,999	0.88
				-	78,500	Market Purchase	20/07/2018	16,918,499	0.89
				-	373,250	Market Purchase	27/07/2018	17,291,749	0.91
				-	213,600	Market Purchase	03/08/2018	17,505,349	0.92
				27,000	-	Market Sale	10/08/2018	17,478,349	0.92
				4,800	-	Market Sale	17/08/2018	17,473,549	0.92
				161,800	-	Market Sale	24/08/2018	17,311,749	0.91
				-	281,847	Market Purchase	31/08/2018	17,593,596	0.92
				125,000	-	Market Sale	14/09/2018	17,468,596	0.92
				-	149,430	Market Purchase	21/09/2018	17,618,026	0.92
				-	813,000	Market Purchase	28/09/2018	18,431,026	0.97
				-	243,171	Market Purchase	05/10/2018	18,674,197	0.98
				-	356,335	Market Purchase	12/10/2018	19,030,532	1.00
				-	175,000	Market Purchase	19/10/2018	19,205,532	1.01
				-	1,398,000	Market Purchase	26/10/2018	20,603,532	1.08
				-	140,002	Market Purchase	02/11/2018	20,743,534	1.09
				466,400	-	Market Sale	09/11/2018	20,277,134	1.06
				881,800	-	Market Sale	16/11/2018	19,395,334	1.02
				102,200	-	Market Sale	23/11/2018	19,293,134	1.01
				-	85,000	Market Purchase	30/11/2018	19,378,134	1.02
				356,668	-	Market Sale	07/12/2018	19,021,466	1.00
				-	80,638	Market Purchase	14/12/2018	19,102,104	1.00
				-	215,734	Market Purchase	21/12/2018	19,317,838	1.01
				-	363,700	Market Purchase	04/01/2019	19,681,538	1.03

SI no	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Date of change	Cumulative Shareholding during the year	
		No. of Equity shares	% of total Equity shares of the company	No. of Equity shares - Decrease	No. of Equity shares - Increase	Reason		No. of Equity shares	% of total Equity shares of the company
				18,226	-	Market Sale	11/01/2019	19,663,312	1.03
				-	109,593	Market Purchase	18/01/2019	19,772,905	1.04
				-	20,800	Market Purchase	25/01/2019	19,793,705	1.04
				-	69,000	Market Purchase	01/02/2019	19,862,705	1.04
				-	125,245	Market Purchase	08/02/2019	19,987,950	1.05
				-	72,000	Market Purchase	15/02/2019	20,059,950	1.05
				-	650,000	Market Purchase	22/02/2019	20,709,950	1.09
				-	1,565,263	Market Purchase	01/03/2019	22,275,213	1.17
				-	393,600	Market Purchase	08/03/2019	22,668,813	1.19
				-	68,351	Market Purchase	22/03/2019	22,737,164	1.19
				-	148,000	Market Purchase	29/03/2019	22,885,164	1.20
							31/03/2019	22,885,164	1.20
10	Caisse De Depot ET Placement DU Quebec	22,344,947	1.17	-	-		31/03/2018	22,344,947	1.17
				-	16,060	Market Purchase	06/04/2018	22,361,007	1.17
				22,586	-	Market Sale	29/06/2018	22,338,421	1.17
				88,388	-	Market Sale	06/07/2018	22,250,033	1.17
				19,724	-	Market Sale	03/08/2018	22,230,309	1.17
				-	93,035	Market Purchase	07/09/2018	22,323,344	1.17
				33,625	-	Market Sale	28/09/2018	22,289,719	1.17
				42,363	-	Market Sale	05/10/2018	22,247,356	1.17
				138,680	-	Market Sale	19/10/2018	22,108,676	1.16
							31/03/2019	22,108,676	1.16

Notes:

- 1) Top ten shareholders (on basis of PAN numbers) of the Bank as on 31st March 2019 has been considered for the above disclosure.
- 2) Date of change is the date of shareholding statement i.e. the date on which the beneficiary position is downloaded.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl no	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding			Date of change	Cumulative Shareholding during the year	
		No. of Equity shares	% of total Equity shares of the company	No. of Equity shares - Decrease	No. of Equity shares - Increase	Reason		No. of Equity shares	% of total Equity shares of the Company
DIRECTORS #									
1	Dipak Gupta	1,324,405	0.07	-	-		31/03/2018	1,324,405	0.07
				-	21,764	ESOP Allotment	28/06/2018	1,346,169	0.07
				-	4,080	ESOP Allotment	17/08/2018	1,350,249	0.07
				78,000	-	Gift	23/08/2018	1,272,249	0.07
				10,000	-	Market Sale	09/11/2018	1,262,249	0.07
				-	11,000	ESOP Allotment	11/12/2018	1,273,249	0.07
				14,442	-	Market Sale	14/12/2018	1,258,807	0.07
				-	16,429	ESOP Allotment	27/12/2018	1,275,236	0.07
				5,558	-	Market Sale	24/01/2019	1,269,678	0.07
				12,500	-	Market Sale	28/01/2019	1,257,178	0.07
				15,000	-	Market Sale	07/02/2019	1,242,178	0.07
				-	8,571	ESOP Allotment	07/02/2019	1,250,749	0.07
				25,000	-	Gift	20/02/2019	1,225,749	0.07
				-	19,580	ESOP Allotment	26/03/2019	1,245,329	0.07
				-	2,500	ESOP Allotment	30/03/2019	1,247,829	0.07
					31/03/2019	1,247,829	0.07		
2	C Jayaram	1,108,040	0.06	-	-		31/03/2018	1,108,040	0.06
							31/03/2019	1,108,040	0.06
3	Uday Shankar *	-	-	-	-		16/03/2019	297	0.00
							31/03/2019	297	0.00
4	Farida Dara Khambata	36,000	0.00	-	-		31/03/2018	36,000	0.00
				-	4,000	Market Purchase	29/06/2018	40,000	0.00
				-	5,000	Market Purchase	17/08/2018	45,000	0.00
				-	4,000	Market Purchase	24/08/2018	49,000	0.00
				-	5,000	Market Purchase	05/10/2018	54,000	0.00
					31/03/2019	54,000	0.00		
5	Amit K Desai **	1,548,750	0.08	-	-		31/03/2018	1,548,750	0.08
							17/03/2019	1,548,750	0.08

Shareholding details of Mr. Uday Kotak, Managing Director & CEO has been given in the section on 'Shareholding of Promoters'.

* Appointed as an Independent Director w.e.f. 16th March 2019

** Ceased to be a Director w.e.f. 17th March 2019

Sl no	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding			Date of change	Cumulative Shareholding during the year	
		No. of Equity shares	% of total Equity shares of the company	No. of Equity Shares - Decrease	No. of Equity shares - Increase	Reason		No. of Equity shares	% of total Equity shares of the company
KEY MANAGERIAL PERSONNEL									
1	Jaimin Mukund Bhatt	1,287,504	0.07	-	-		31/03/2018	1,287,504	0.07
				-	4,932	ESOP Allotment	17/04/2018	1,292,436	0.07
				-	6,000	ESOP Allotment	06/06/2018	1,298,436	0.07
				-	5,052	ESOP Allotment	25/07/2018	1,303,488	0.07
				-	5,000	ESOP Allotment	17/08/2018	1,308,488	0.07
				-	3,552	ESOP Allotment	28/09/2018	1,312,040	0.07
				-	4,000	ESOP Allotment	27/12/2018	1,316,040	0.07
				-	2,500	ESOP Allotment	16/01/2019	1,318,540	0.07
				-	11,621	ESOP Allotment	07/02/2019	1,330,161	0.07
				5,000	-	Market Sale	11/02/2019	1,325,161	0.07
				5,000	-	Market Sale	12/02/2019	1,320,161	0.07
				10,000	-	Market Sale	13/02/2019	1,310,161	0.07
				-	11,052	ESOP Allotment	26/03/2019	1,321,213	0.07
				-	2,500	ESOP Allotment	30/03/2019	1,323,713	0.07
							31/03/2019	1,323,713	0.07
2.	Bina Rameshchandra Chandrana	49,669	0.00	-	-		31/03/2018	49,669	0.00
				-	716	ESOP Allotment	28/06/2018	50,385	0.00
				-	448	ESOP Allotment	25/07/2018	50,833	0.00
				-	720	ESOP Allotment	28/09/2018	51,553	0.00
							31/03/2019	51,553	0.00

IV SHARE HOLDING PATTERN (PREFERENCE SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL PREFERENCE)
(i) Category-wise Share Holding

Category of Shareholders	No. of Preference shares held at the beginning of the year				No. of Preference shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Preference shares	Demat	Physical	Total	% of Total Preference shares	
A. Promoters									
1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks/Fl	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub total (A) (1)	-	-	-	-	-	-	-	-	-
2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / Fl	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A) (2)	-	-	-	-	-	-	-	-	-
B. Public Shareholding as per classification given by Depository									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / Fl	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Alternative Investment Funds	-	-	-	-	-	-	-	-	-
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) FIs	-	-	-	-	-	-	-	-	-
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Preference shares held at the beginning of the year				No. of Preference shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Preference shares	Demat	Physical	Total	% of Total Preference shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	898,000,000	-	898,000,000	89.80	889,735,000	-	889,735,000	88.97	-0.83
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	102,000,000	-	102,000,000	10.20	109,065,000	-	109,065,000	10.91	0.71
c) Others (specify)	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	1,200,000	-	1,200,000	0.12	0.12
Sub-total(B)(2):-	1,000,000,000	-	1,000,000,000	100.00	1,000,000,000	-	1,000,000,000	100.00	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,000,000,000	-	1,000,000,000	100.00	1,000,000,000	-	1,000,000,000	100.00	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,000,000,000	-	1,000,000,000	100.00	1,000,000,000	-	1,000,000,000	100.00	

(ii) Shareholding (Preference Shares) of Promoters – NIL

(iii) Change in Promoters' Shareholding (Preference Shares) (please specify, if there is no change) - NIL

(iv) Shareholding Pattern of top ten shareholders (Preference Shares) (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl no	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Date of change	Cumulative Shareholding during the year	
		No. of Preference shares	% of total Preference shares of the company	No. of Preference shares - Decrease	No. of Preference shares - Increase	Reason		No. of Preference shares	% of total Preference shares of the company
1	Signet Chemical Corporation Private Limited	-	-	-	80,000,000	Allotment	02/08/2018	80,000,000	8.00
							31/03/2019	80,000,000	8.00
2	Aditya Birla Finance Limited	-	-	-	70,000,000	Allotment	02/08/2018	70,000,000	7.00
							31/03/2019	70,000,000	7.00
3	Tata Capital Financial Services Ltd.	-	-	-	70,000,000	Allotment	02/08/2018	70,000,000	7.00
							31/03/2019	70,000,000	7.00
4	ICICI Lombard General Insurance Company Ltd.	-	-	-	66,000,000	Allotment	02/08/2018	66,000,000	6.60
							31/03/2019	66,000,000	6.60
5	Bajaj Allianz General Insurance Company Limited-Policyholder Fund	-	-	-	66,000,000	Allotment	02/08/2018	66,000,000	6.60
							31/03/2019	66,000,000	6.60
6	L and T Finance Limited	-	-	-	50,000,000	Allotment	02/08/2018	50,000,000	5.00
							31/03/2019	50,000,000	5.00
7	Denali Finance Private Limited	-	-	-	40,000,000	Allotment	02/08/2018	40,000,000	4.00
							31/03/2019	40,000,000	4.00
8	Famy Care Ltd.	-	-	-	30,000,000	Allotment	02/08/2018	30,000,000	3.00
							31/03/2019	30,000,000	3.00
9	Star Line Leasing Ltd.	-	-	-	30,000,000	Allotment	02/08/2018	30,000,000	3.00
							31/03/2019	30,000,000	3.00
10	Pidilite Industries Limited	-	-	-	30,000,000	Allotment	02/08/2018	30,000,000	3.00
							31/03/2019	30,000,000	3.00

Note:

Top ten shareholders (on basis of PAN numbers) of the Bank as on 31st March 2019 has been considered for the above disclosure.

(v) Shareholding (Preference Shares) of Directors and Key Managerial Personnel - NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans @	Deposits @@	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	25,154.15	1,92,643.27	2,17,797.42
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	157.17	713.83	871.00
Total (i+ii+iii)	NIL	25,311.32	1,93,357.10	2,18,668.42
Change in Indebtedness during the financial year				
- Addition				
- Reduction				
Net Change	NIL	7,256.57	33,376.42	40,632.99
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	32,248.07	2,25,880.36	2,58,128.44
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	319.82	853.16	1,172.98
Total (i+ii+iii)	NIL	32,567.89	2,26,733.52	2,59,301.41

@ Unsecured Loans represent Borrowings made by the Bank from RBI, banks & other financial institutions (including those raised by way of Infrastructure bonds, Tier II Bonds & Upper Tier II Bonds)

@@ Deposits represent Deposits raised by the Bank under the Banking Regulation Act, 1949.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in lakh)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Uday Kotak (MD)	Mr. Dipak Gupta (WTD designated as Joint MD)	
1.	Gross salary *			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	324.55	323.58	648.13
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 @	0.40	633.61	634.01
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2.	Stock Option	-	Cost included in 1(b) above	
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- Others, specify...			
5.	Others, please specify	-	-	-
	Total (A)	324.95	957.19	1282.14
	Ceiling as per the Act **			

Notes:

@ The perquisite value towards stock options is the difference between exercise price and market price on the date of exercise. The same is not paid by the Bank, amounted to Nil for Mr. Uday Kotak and ₹ 633.21 lakh for Mr. Dipak Gupta.

* Gross salary includes Basic salary, Drivers Allowance, Professional Allowance, Reimbursement of Medical expenses, Leave Travel Allowance and Annual Incentives.

** Remuneration of Directors of the Bank is governed by Section 35-B of the Banking Regulation Act, 1949.

B. Remuneration to other directors

(₹ in Lakh)

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount
1	Independent Directors	Mr. Amit Desai @	Prof. S. Mahendra Dev	Mr. Prakash Apte @	Ms. Farida Khambata	Mr. Uday Khanna	Mr. Uday Shankar @	
	Fee for attending board/ committee meetings	12.00	18.40	19.40	7.40	13.00	-	70.20
	Commission **	8.00	10.00	10.00	8.00	10.00	-	46.00
	Others - Remuneration @@	-	-	17.47	-	-	-	17.47
	Total (1)	20.00	28.40	46.87	15.40	23.00	-	133.67
2	Other Non-Executive Directors	Dr. Shankar Acharya @	Mr. Mark Newman # @	Mr. C. Jayaram @				
	Fee for attending board/ committee meetings	4.60	-	11.80				16.40
	Commission **	-	-	10.00				10.00
	Others - Remuneration @@	9.03	-	-				9.03
	Total (2)	13.63	-	21.80				35.43
	Total (B)=(1+2)							169.10
	Total Managerial Remuneration							
	Overall Ceiling as per the Act *							

Notes:

* Remuneration of Directors of the Bank is governed by Section 35-B of the Banking Regulation Act, 1949.

** Commission pertaining to FY 2017-18 paid during FY 2018-19.

Mr. Mark Newman has waived off the sitting fees & commission payable to him.

@ Dr. Shankar Acharya, Non-Executive Chairman, retired by rotation as a Director at the last Annual General Meeting of the Bank held on 19th July, 2018 and did not seek re-appointment as he completed 70 years of age.

Mr. Prakash Apte appointed as a Non-Executive Chairman w.e.f. 20th July, 2018 & re-appointed as an Independent Director w.e.f. 18th March, 2019.

Mr. Mark Newman resigned as a Non-Executive Non-Independent Director w.e.f. 22nd February, 2019.

Mr. Uday Shankar appointed as an Independent Director w.e.f. 16th March, 2019.

Mr. Amit Desai ceased to be a Director w.e.f. 17th March, 2019.

@@ The Non-Executive Chairman in addition to the sitting fees for attending meetings gets a remuneration approved by the shareholders & Reserve Bank of India.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lakh)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total Amount
1.	Gross salary *			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	97.60	424.81	522.41
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12.54	273.72	286.26
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option @	Cost included in 1(b) above		
3.	Sweat Equity			
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...			
5.	Others, please specify	-	-	-
	Total	110.14	698.53	808.67

Notes:

@ The perquisite value towards stock options is the difference between exercise price and market price on the date of exercise. The same is not paid by the Bank, amounted to ₹12.22 lakh for Company Secretary and ₹273.44 lakh for CFO.

* Gross salary includes Basic salary, House Rent Allowance, Professional Allowance, Reimbursement of Medical expenses, Leave Travel Allowance, Annual Incentives and cost towards Stock Appreciation Rights.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY			NIL		
		Penalty			
		Punishment			
		Compounding			
B. DIRECTORS			NIL		
		Penalty			
		Punishment			
		Compounding			
C. OTHER OFFICERS IN DEFAULT			NIL		
		Penalty			
		Punishment			
		Compounding			

Secretarial Audit Report

ANNEXURE - B

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

KOTAK MAHINDRA BANK LIMITED.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KOTAK MAHINDRA BANK LIMITED (hereinafter called the "Bank").

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Bank has, during the audit period covering the financial year ended on 31st March 2019, complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Bank for the financial year ended on 31st March 2019, according to the provisions of, as may be applicable:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- (v) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (vi) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (vii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (viii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:-
 - (a) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;
 - (b) The Securities and Exchange Board of India (Bankers to an issue) Regulations, 1994;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
 - (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and SEBI (Depositories and Participants) Regulations, 2018;

- (ix) Laws specifically applicable to the industry to which the Company belongs:
- (a) The Banking Regulation Act, 1949;
 - (b) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- (x) Other laws to the extent applicable to the Company as per the representations made by the Company;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued pursuant to section 118(10) of the Act, by The Institute of Company Secretaries of India.

During the period under review the Bank has complied with the above Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is generally given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance except in one case of Board Meeting and one case each of Nomination & Remuneration Committee Meeting & Corporate Social Responsibility Committee Meeting which were held at a short notice to transact urgent business, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Bank were carried out unanimously. There were no dissenting views by any member of the Board of Directors during the period under review.

I further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

1. A Special Resolution was passed at the Annual General Meeting of the Bank held on 19th July, 2018 by the Members approving appointment of Mr. Prakash Apte as part time Chairman of the Bank.
2. An Ordinary Resolution was passed at the Annual General Meeting of the Bank held on 19th July, 2018 by the Members pursuant to Section 61 of the Companies Act, 2013 for approval of increase in Authorized Share Capital from the present ₹1500,00,00,000 (Rupees Fifteen Hundred Crore Only) consisting of 300,00,00,000 (Three Hundred Crore) equity shares of ₹5 (Rupees Five Only) each to ₹1900,00,00,000 (Rupees One Thousand Nine Hundred Crore Only) divided into 280,00,00,000 (Two Hundred Eighty Crore) equity shares of ₹5 (Rupees Five Only) each and 100,00,00,000 (One Hundred Crore) preference shares of ₹5 (Rupees Five Only) each.
3. A Special Resolution was passed at the Annual General Meeting of the Bank held on 19th July, 2018 to alter Articles of Association of the Bank.
4. A Special Resolution was passed at the Annual General Meeting of the Bank held on 19th July, 2018 by the Members pursuant to Section 42 of the Companies Act, 2013 for approving issue of unsecured non-convertible debentures/bonds, in Indian/foreign currencies in the domestic and/or overseas markets for an amount up to ₹ 5,000 crore (Rupees Five Thousand Crore Only) on a private placement basis in one or more tranches and series.
5. A Special Resolution was passed at the Annual General Meeting of the Bank held on 19th July, 2018 by the members pursuant to Section 42 of the Companies Act, 2013 for approving issue of Non-Convertible Preference Shares (hereinafter referred to as "NCPS") upto ₹500 crore, on a private placement basis in one or more tranches and series.
6. The Bank has filed a writ petition with the Hon'ble Bombay High Court against the Reserve Bank of India (RBI) with respect to their requirement of bringing down the promoter shareholding.

Rupal Dhiren Jhaveri

FCS No.: 5441

Certificate of Practice No.: 4225

Place: Mumbai

Date: 26th April 2019

*This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.*

To,

The Members,

KOTAK MAHINDRA BANK LIMITED

My report of even date is to be read along with this letter.

Annexure A

1. Maintenance of secretarial record is the responsibility of the management of the Bank. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

Rupal Dhiren Jhaveri

FCS No.: 5441

Certificate of Practice No.: 4225

Place : Mumbai

Date : 26th April 2019

Secretarial Audit Report

FORM NO. MR-3**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

KOTAK MAHINDRA LIFE INSURANCE COMPANY LIMITED
(Formerly known as Kotak Mahindra Old Mutual Life Insurance Limited)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kotak Mahindra Life Insurance Company Limited, Formerly known as Kotak Mahindra Old Mutual Life Insurance Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings: There was no overseas Direct Investment made or External Commercial Borrowings during the year.
- (v) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (vi) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (vii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (viii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were not applicable to the Company during the Audit Period as the Company is not a listed entity:
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (b) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (f) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
- (ix) The Company, being a Life Insurance Company, has complied with the Insurance Act, 1938 and Regulations, Guidelines and Directions issued by the Insurance Regulatory & Development Authority of India (IRDAI). The company has its own robust compliance system and the Company is also subject to monitoring by and reporting of compliances to IRDAI.
- (x) Other laws to the extent applicable to the Company as per the representations made by the Company;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued pursuant to section 118(10) of the Act, by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the above mentioned Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period in my opinion, there are no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules regulations, guidelines, standards, etc. referred to above.

Rupal Dhiren Jhaveri

FCS No.: 5441

Certificate of Practice No.: 4225

Place: Mumbai

Date: 16th April 2019

*This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.*

To,

The Members,

KOTAK MAHINDRA LIFE INSURANCE COMPANY LIMITED
(Formerly known as Kotak Mahindra Old Mutual Life Insurance Limited)

My report of even date is to be read along with this letter.

Annexure A

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Rupal Dhiren Jhaveri

FCS No.: 5441

Certificate of Practice No.: 4225

Place : Mumbai

Date : 16th April 2019

Details of CSR activities and expenditure U/S 135 of The Companies Act, 2013

CSR project/ activity identified	Sector in which the project is covered	Area of project implementation (Name of the District / s, State / s where project / programme was undertaken)	Programme / project wise outlay (budgeted) amount (₹ Lakh)	Programme / project wise actual spend during the year – Direct expenditures (₹ Lakh)	Programme / project wise actual spend during the year – Overheads (₹ Lakh)	Cumulative Expenditure upto reporting period (Since FY 2014-15) (₹ Lakh)	Amount spent: Direct or Through implementing agency (₹ Lakh)
Promoting education	Education	Pan India	2,013.29	1,372.69	175.36	7,697.81 (Out of ₹ 2,013.29 Lakh, the NGOs did not utilise ₹ 465.25 Lakh. This will be utilised for meeting the requirements for FY 2019-20)	Implementing Agencies - 2,013.29
Promoting livelihood	Vocational Skills and Livelihood	Pan India	338.70	177.21	13.80	493.70 (Out of ₹ 338.70 Lakh, the NGOs did not utilise ₹ 147.69 Lakh. This will be utilised for meeting the requirements for FY 2019-20)	Implementing Agencies - 338.70
Promoting healthcare	Healthcare	Pan India	403.57	166.10	15.69	1,265.28 (Out of ₹ 403.57 Lakh, the NGOs did not utilise ₹ 221.78 Lakh. This will be utilised for meeting the requirements for FY 2019-20)	Implementing Agencies - 403.70
Relief and Rehabilitation	Relief and Rehabilitation	Kerala	505.00	504.35	0.65	599.98	Implementing Agencies – 505.00
Promoting Sports	Sports	Pan India	115.00	90.94	0.71	270.00 (Out of ₹ 115.00 Lakh, the NGOs did not utilise ₹ 23.35 Lakh. This will be utilised for meeting the requirements for FY 2019-20)	Implementing Agencies - 115.00
Reducing Economic and Gender Inequality	Reducing Inequalities	Assam, Meghalaya, UP, Gujarat	12.00	11.34	0.66	26.25	Implementing Agency- 12.00
Environment Sustainability	Sustainable Development	Pan India	267.00	243.00	NIL	483.52 (Out of ₹ 267.00 Lakh the NGO did not utilise ₹ 24.00 Lakh. This will be utilised towards meeting the requirements of FY 2019-20)	Implementing Agency - 24.00 Direct Implementation - 243.00
TOTAL CSR SPEND U/S 135 OF THE COMPANIES ACT, 2013, DURING FY 2018-19							3,654.56

Though the Bank is eligible to consider upto 5% of the total CSR spend as administrative expenditure towards building its CSR capacities, etc, the Bank has taken a call not to consider it as a part of its CSR spend for FY2018-19.

NGO Partners for Bank's CSR Programme on Education: Kotak Education Foundation, Om Creations Trust, IT for Change, IIMPACT, DEEDS Public Charitable Trust, SOPAN, Action for Ability Development and Inclusion (AADI), VISHWAS Vision For Health Welfare and Special Needs, National Society for Clean Cities – India, Bandhan Konnagar, Haripada Ghosh Foundation, Blind Welfare Organisation Nashik, Pearl Special Needs Foundation, Dayanand Anglo Vedic College Trust And Management Society, National Centre For Performing Arts (NCPA), Sampark Foundation, Sarva Vidyalaya Kelavani Mandal, The Prabhakar Bantwal Foundation, Samarpan Foundation, Ramkrishna Sarada Mission Matri Bhavan, Dharamsinh Desai Foundation

NGO Partners for Bank's CSR Programme on Vocational Skills and Livelihood: Pratham Education Foundation, Bandhan Konnagar, Youth4Jobs Foundation, Head Held High Foundation, N M Sadguru Water and Development Foundation.

NGO Partners for Bank's CSR Programme on Healthcare: Lata Mangeshkar Medical Foundation, Association of Parents of Mentally Retarded Children (APMRC), KARO Trust, Vision Foundation of India, Cankid Kidscan, Tata Memorial Centre, CanSupport, OCA Foundation, Society for the Rehabilitation of Crippled Children, Dayanand Anglo Vedic College Trust And Management Society, Wockhardt Foundation, The Ganga Trust, Cancer Patients Aids Association (CPAA), The Indian Council For Mental Health (ICMH)

NGO Partners for Bank's CSR Programme on Sports: Foundation of Promotion of Sports and Games (Olympic Gold Quest), JSW Foundation, Pullela Gopichand Badminton Foundation

NGO Partners for Bank's CSR Programme on Reducing Inequalities: Mahila Sewa Trust

NGO Partners for Bank's CSR Programme on Relief and Rehabilitation: The Ganga Trust, Chief Minister's Distress Relief Fund - Kerala

NGO Partners for Bank's CSR Programme on Environmental Sustainability: Gram Gaurav Pratishtan

Details of CSR Programmes with our implementing partners is available in the Bank's Business Responsibility Report FY 2018-19.